The NATIONAL UNDERWRITER

Life Insurance Edition

FRIDAY, FEBRUARY 2, 1945

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LIFE INSURANCE EDITION

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FEBRUARY 2, 1945
49th Year. No. 5

Life Insurance Sales Gain 3.5% in 1944; December Off

Ordinary Up 12.9% for Year—Only Line to Show Increase

NEW YORK—Life insurance sales for 1944 registered a 3.5% increase despite a drop of 14% in December, according to the Life Association of America. Ordinary showed an increase of 12.9% in 1944, industrial insurance a decrease of 5.7%, and group a decrease of 18.6%.

For 1944, the total new business of the 39 companies representing 80% of the total business in force was $9,336,243,000 compared to $9,019,011,000 in the preceding year. Ordinary totaled $6,404,769,000 against $5,673,772,000. Industrial amounted to $1,524,534,000 compared to $1,617,508,000, while group totaled $1,406,940,000 against $1,727,731,000.

December new business amounted to $908,377,000 compared to $1,056,779,000 in 1943. Ordinary totaled $545,424,000 against $508,857,000, an increase of 7.2%. Industrial amounted to $140,421,000 compared to $154,287,000, a 9% decrease. Group was $222,532,000 against $393,635,000, a 43.5% decrease.

Monthly new paid-for business figures for the last three years follows:

(Last three 000 omitted)

	1942 $	1943 $	1944 $	1944 Over 1943 %
		Ordinary		
Jan.	803,580	389,065	494,059	27.0
Feb.	490,187	396,266	517,041	30.5
March	432,941	496,854	565,705	13.9
April	382,699	505,276	523,278	3.6
May	373,945	475,695	547,638	15.1
June	380,811	493,293	592,133	20.0
July	381,128	493,467	530,345	7.5
Aug.	349,481	468,651	521,010	11.2
Sept.	344,460	455,760	472,354	3.6
Oct.	384,572	486,227	545,712	12.2
Nov.	369,007	504,361	550,070	9.1
Dec.	415,430	508,857	545,424	7.2
	5,108,241	5,673,772	6,404,769	12.9
		Industrial		
Jan.	143,281	127,643	131,091	2.7
Feb.	141,388	133,643	131,108	—1.9
March	160,628	151,817	137,811	—9.2
April	180,666	143,324	124,535	—13.1
May	157,871	143,413	136,127	—5.1
June	140,263	135,778	125,183	—7.8
July	125,679	126,398	112,395	—11.1
Aug.	126,782	122,302	115,490	—5.6
Sept.	126,686	123,529	111,226	—10.0
Oct.	153,003	134,054	134,171	.1
Nov.	127,210	121,320	124,976	3.0
Dec.	170,267	154,287	140,421	—9.0
	1,753,724	1,617,508	1,524,534	—5.7
		Group		
Jan.	49,076	93,818	190,145	102.5
Feb.	50,232	90,689	62,597	—34.9
March	97,826	130,390	88,179	—32.4
April	124,823	124,983	126,479	1.2
May	87,773	154,406	136,333	—11.7
June	161,061	143,888	125,675	—12.7
July	151,344	131,599	80,220	—39.0
Aug.	83,303	89,168	110,319	23.7
Sept.	84,799	112,707	64,796	—42.5
Oct.	78,094	132,778	97,910	—26.3
Nov.	114,180	129,670	101,755	—21.5
Dec.	317,372	393,635	222,532	—43.5
	1,399,883	1,727,731	1,406,940	—18.6
		Total		
Jan.	995,937	610,526	815,295	33.5
Feb.	681,807	620,598	710,746	13.9
March	691,395	779,061	791,695	1.6
April	688,188	773,583	774,292	.1
May	619,589	773,514	820,098	6.0
June	682,135	772,959	842,991	9.1
July	658,151	751,464	722,960	—3.8
Aug.	559,566	680,121	746,819	9.8
Sept.	555,945	691,996	648,376	—6.3
Oct.	615,669	753,059	777,793	3.3
Nov.	610,397	755,351	776,801	2.8
Dec.	903,069	1,056,779	908,377	—14.0
	8,261,848	9,019,011	9,336,243	3.5

RESEARCH BUREAU FIGURES

According to the Research Bureau figures ordinary life sales in 1944 totaled $8,463,000,000, an amount greater than the average of the five preceding years and more than in any year since 1931.

The bureau observes this is equivalent to the purchase of $66 of life insurance for every one of the 127 million civilians, or an increase of $1,000 of insurance by one out of every 15 civilians living in the United States.

Every one of the states showed an increase of at least 10% over the preceding five-year average. In Utah, Arizona, South Dakota, and California, the increase was 50% or more.

In every month of 1944, more ordinary life was purchased than in the corresponding month of 1943. This is the continuation of a trend that started in March, 1943, every one of the 22 months since that date showing a gain over the same month in the preceding year.

Union Mutual in Non-Can A.&H. Field

Long-Term Contract Provides 100 Months Aggregate Limit

The entry of Union Mutual Life into the field of non-cancellable guaranteed renewable sickness and accident insurance, effective Feb. 1, is announced by Rolland E. Irish, president.

First mutual life company to enter the field, Union Mutual has developed a "Colonial" series of policies designed to make available comprehensive coverage either on the long or short basis.

Union Mutual's long-term contract, the "Independence", pays up to 100 months for each sickness or accident disability. The policy has been devised to afford protection against long continued disabilities. Hospital, nurse, and surgical benefits are available in addition.

Its short-term policy, the "Yankee", affords complete protection against the hazards of disability and has been devised to meet the needs of those who want income to cover the immediate extra expenses resulting from disability. Hospital, nurse, and surgical benefits are likewise available in addition.

Irish Sees Obligation

Mr. Irish expressed the conviction that "it is the obligation of a mutual life company to provide trustworthy protection evidenced by fair and understandable policies containing broad provisions that will fit actual needs and conditions."

"Life insurance should be the very foundation of all personal insurance," he said. "But, if the complete need is to be filled and the three great hazards provided for, disability insurance must take its place in every properly presented program. The function of disability insurance is to provide an income when sickness and accident strike and indemnify the insured against heavy additional expenses. In our Colonial series is a combination of the best type of disability contract and the disability benefits of life insurance."

Mr. Irish reported that modern actuarial reserve tables and sound underwriting policy back the program. The plan, he said, has been carefully studied for several years. Sale of the policy will be limited to select full time career agents.

Union Mutual entered the sickness and accident field itself early in 1940 and includes on its staff a group of men who are experienced in the non-cancellable division of the business.

The "Independence" is sold to male risks ages 20-50 inclusive, classes A1 to A3 inclusive and a medical examination is required. At age 35 the annual premium for each $100 monthly sickness and accident indemnity is $70 if the

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N.A.L.U., Bar Seek Closer Coordination on Pension Trusts

Representatives of the American Bar Association and of the National Association of Life Underwriters, meeting in Chicago, adopted a resolution recommending to their respective associations the establishment of a national conference for the purpose of coordinating in the public interest their efforts in the field of pension and profit sharing trusts and in the field of estate planning.

Present in behalf of the American Bar Association were: David F. Maxwell, Philadelphia; John D. Randall, Cedar Rapids; Bert C. Bentley, Chicago; Howard L. Bump, Des Moines; Edwin M. Otterbourg, New York City; Charles L. Goldstein, Detroit; Fred B. H. Spellman, Alva, Okla., and Werner W. Schroeder, Chicago.

The National Association of Life Underwriters was represented by Edward J. Dore, Berkshire Life, Detroit; Louis Behr, Equitable Society, Chicago; Meyer M. Goldstein, Connecticut Mutual, New York; George E. Lackey, Massachusetts Mutual, Detroit; Philip B. Hobbs, Equitable Society, Chicago; C. Preston Dawson, New England Mutual, New York; and Albert Hirst, New York, as counsel.

Recognizing the benefits offered to the public by the constant extension of pension, profit sharing and estate planning, the group also appointed a subcommittee consisting of Mr. Otterbourg and Albert Hirst, both of New York City, to draft a declaration of principles providing for the cooperation of the two associations in these fields. Such statement will be supplementary to the declaration issued by the two associations in 1940.

Tennessee Tax Law Is Signed; All Companies Pay 2%

NASHVILLE—Tennessee's new premium tax law, devised to meet the situation created by the Supreme Court insurance is commerce decision, has been signed by Governor McCord. Both foreign and domestic companies will now pay 2% premium tax, except in compensation, with the provision that this may be credited against franchise and excise taxes, with a valuation fee to be credited against the premium tax.

Previously foreign companies only had paid a 2½% tax with domestic companies exempted. An attempt to exempt farm mutuals from the tax brought Commissioner McCormack to the floor with the plea that such an exemption would probably make the whole measure unconstitutional. The new assessment is estimated to produce $2 million in revenue. The 4% tax on workmen's compensation premiums and .5% fire marshal's tax on fire premiums and 1½% on annuity considerations remain unchanged. Due dates of the tax are changed from January and July of each year to "on or before March 1 and Sept. 1 of each year." Legislators in considering the measure were told that since the tax was due this month, unless the law was passed before Feb. 1, "many companies would pay under protest and sue to recover on the ground that the present law violates the commerce laws of the federal constitution."

Missing in Action Measure

RALEIGH, N. C.—A bill has been introduced in the North Carolina legislature providing that persons reported missing in action are to be legally presumed to be dead after two years.

Floor Change in Federal Bill Causes Puzzle

Senate Passes Measure After Long Debate on New Amendment

WASHINGTON — The McCarran-Ferguson insurance bill (S.340) was passed by the Senate last Thursday after two hours debate resulting in adoption of an amendment in addition to that recommended by the Senate judiciary committee in section 4(b) which extended application of the Sherman act to "agreement or" act of boycott, coercion, or intimidation.

The floor amendment provides for inserting in section 2(b), language excepting anti-trust laws from the general provision that no federal law shall be construed to invalidate, impair, or supersede state laws to regulate, tax or impose fees upon the insurance business, unless such federal law "specifically so provides."

This change was accomplished by inserting after the words "no act of Congress," at the beginning of section 2(b) the following words: "except the act of July 2, 1890, as amended, known as the Sherman act, and/or the act of Oct. 15, 1914, as amended, known as the Clayton act."

Radcliffe Protests Amendment

This amendment was offered by Ferguson, Michigan, who was in charge of the bill in the absence of Judiciary Chairman McCarran, after considerable criticism had been made of section 2(b) by Senators Murdock, Utah, and O'Mahoney, Wyoming, particularly. The change was made over protests of Senators Radcliffe, Maryland; Revercomb, West Virginia, and others.

Murdock led the fight against section 2(b) as recommended by the judiciary committee, contending it constituted an "invitation" to laws or acts of restraint of trade, conspiracy or monopoly in violation of the federal anti-trust laws. He proposed at first that the entire section be eliminated.

While some students of the legislation admitted that 2(b) without the floor amendment might appear to contain a joker, they observe that no joker was intended. The effect of the floor amendment presents puzzling questions. For instance, in the absence of further legislation setting up tolerable insurance practices under the Sherman and Clayton acts after the moratorium runs out, it would seem that 2 (b) with the floor amendment would cause the anti-trust laws to invalidate, impair or supersede state laws, and it would not be known whether any state rating laws would then hold water. If the floor amendment stands, it seems to mean that there will have to be further federal legislation not later than 1947 setting up specific insurance standards under the Sherman and Clayton acts.

Those insisting on the floor amendment apparently conceived that after the Sherman and Clayton acts moratorium expired, the former June 1, 1947, the latter Jan. 1, 1948, 2(b) could be construed as a permanent exemption of insurance from the anti-trust laws.

After suggestions for amending the section had been made, but not pressed, including one by Taft, Ohio, to make the proposed exemption from federal

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Main Features of 1944 Statements Are Set Forth

AETNA LIFE

The premium income of the Aetna Life group last year was $241,460,874, an increase of $17 million. The premiums in Aetna Life were $173,963,908.

The assets of Aetna Life passed the $1 billion mark, having increased more than $100 million to $1,040,777,100. Assets in Aetna Casualty increased from $100,061,975 to $106,044,756.

Total holdings of government bonds for the group are $443,286,514, an increase of more than $89 million. Of the assets of Aetna Life alone, 35.4% is invested in government bonds against 30.4% a year ago.

In the ordinary department new life insurance was $163,319,211, 16% more than in 1943. Total ordinary in force increased $68,847,082 to $1,987,693,455.

New insurance on group life and employe plans amounted to $255,698,970. Total group and employe insurance in force is $4,080,305,971, a gain of $131,-269,758.

Premium income of Aetna Life of $173,963,908 includes annuity premiums of $28,244,926 and accident and health premiums of $40,371,026. The gain in accident and health premiums was $4,612,460.

The net interest rate earned in the life department was 3.17% against 3.27% in 1943.

In the participating department $2,-703,068 has been set aside for payment of dividends to participating policyholders in 1945.

The total amount paid policyholders in the life department was $75,457,237. Claims paid in the accident and liability department amounted to $30,507,-191.

Surplus increased $5,283,480 to $39,-762,510. The contingency reserve increased $15,800,000 to $44,400,000. Capital, surplus and contingency reserves total over $99 million or 10% of the assets.

BANKERS MUTUAL LIFE

Bankers Mutual Life of Freeport, Ill., reports assets now exceed $2,250,000 and that surplus is higher. Insurance in force is nearly $30 million. New business written exceeded that of 1943 by about 20%. The average interest earning was 3.62%. New investments in government bonds were nearly equal to the first year premium income. No bonds are in default. The dividend scale was slightly increased in 1944 and the same schedule is being maintained this year. During 1944 twice as many new agents were placed under contract as in 1943 and the new agents were responsible for four times as much new business. Recruiting is confined to men in non-essential occupations and to returning war veterans.

BOSTON MUTUAL LIFE

Boston Mutual Life in 1944 had its largest insurance gain in history. The combined increase for the year was $9,433,361, bringing insurance in force to $129,216,349. Total payments to policyholders and beneficiaries were $1,776,612, of which $835,333 was for death claims and $228,248 for dividends to policyholders. Government bond holdings total $16,633,846. Surplus was increased by $242,494.

BUSINESS MEN'S ASSURANCE

Business Men's Assurance assets at the close of 1944 were slightly under $42,963,641, a gain of $5,625,189 for the year. Government bond holdings increased from $8,932,195 to $16,194,842. Total income for 1944 was $13,803,195, against $11,273,254, increase 22.4%. Total premium income was $11,814,074, against $9,363,660. Income from investments amounted to $1,735,806, against $1,593,991.

The average gross return on all invested assets in 1944 was 3.8%, compared with 3.3% in 1943. The net return was 3.2% last year, against 3.5% in 1943. Real estate holdings declined from $405,111 to $206,683 and the company depreciated its home office building to $775,000. Policy reserves increased by $4,101,747; a special reserve of $100,000 for excess war mortality was continued and the general surplus to policyholders was increased by $302,767 to $3,569,349.

Insurance in force increased $22,300,-620 to a total of $198,033,022. Life insurance premiums were $7,120,006, a gain of $1,302,949 for the year. The company paid 34,634 claims (accident and health included) for a total of $4,085,460.

CONTINENTAL AMERICAN LIFE

Continental American Life enjoys a financial condition that has never been excelled in its record, Adolph A. Rydgren, president, reports.

The death rate during 1944 was again somewhat below the peacetime average; thus, the whole of the war mortality contingency reserve is still available to absorb any extra death claims which may be hereafter caused by the war.

New insurance was 10% greater than that of 1943. The increase in insurance in force was the largest in history with the exception of 1930 when Continental American introduced the family income policy. During 1944, the average new sale of $6,833 per jolicy further increased the average policy in force to $4,581. Terminations other than death claims and maturities were at the lowest rate in history.

CONTINENTAL ASSURANCE

Continental Assurance shows a policyholders' surplus of $5,226,447 after the transfer of $1 million to capital as the result of a stock dividend. It shows a net gain from operations, less cash dividends paid to shareholders and income tax, of $444,213. It had $21,271,-167 in cash and government obligations. Its assets were $62,154,926, an increase of more than $9 million. The paid for insurance in force as of Dec. 31, was $498,638,894, an increase over 1943 of $55,208,915.

EQUITABLE LIFE OF IOWA

New life insurance and annuities sold during 1944 by Equitable Life of Iowa totaled $81,984,000, a gain of 7.7%. Life insurance in force was $694,254,344.

Earnings totaled $3,999,107, and net earnings added to surplus were $1,066,-675 after making provision for dividends to policyholders at the same scale as was in effect in 1944.

Net interest earned of 3.33% represented a sharp reduction under previous years and a further reduction is to be expected for 1945 due primarily to the fact that the company has increased its holdings of government bonds more than $56 million during the past two years.

Assets increased $22 million to $278,-047,231. Of this amount $99,115,000 or 35.6% is invested in government bonds.

HOME LIFE OF NEW YORK

Assets of Home Life of New York increased during 1944 to $154,055,403, or $11,945,270, and the condition of each classification is highly satisfactory. Holdings of government bonds amounted to $46,093,818, or 29.9% of assets. The company has continued its purpose of investing in war bonds an amount equal to its increase in assets.

Surplus is now $6,437,544, as compared to $5,882,862 Dec. 31, 1943. Also the war contingency special surplus fund has been increased from $500,000 to $1,250,000. The contingency reserves for mortgages and real estate and for security fluctuations have been materially increased.

Policy dividends are being continued on the same basis as for 1944.

New insurance sold showed an increase of 17.9% over the preceding year, while the gain in insurance in force was 33.5% greater than in 1943, and was 6.9% of the insurance in force at the beginning of the year.

Home Life further increased the unit sale from $7,771 in 1943 to $8,764 in 1944.

Death payments as a direct result of the war were 7.7% of the total. In spite of these extra payments the total death rate was not excessive, since mortality among the civilian population continued to be favorable.

The interest return on assets during 1944 was 3.38%, a slight decline.

Policy loans now amount to $10,273,-342 or 6.7% of assets and dropped from $11,320,164 at the end of 1943. FHA insured first mortgages during 1944 went from $7,169,970 to $8,234,208, or 5.3% of assets. The interest rate earned on all mortgages after deduction of service fees and premiums paid for FHA and other loans was 4.3%. Real estate acquired through foreclosure and still held amounted to only $373,841.

JEFFERSON STANDARD LIFE

Jefferson Standard Life reports that the net interest earned on investments during 1944 was 4.53%. The directors voted to continue, for the time being, the payment of 5% interest on dividend accumulations and proceeds left with the company. This rate has been maintained since 1907.

Paid for business amounted to $60,-097,014 an 11% increase. Gain in insurance in force amounted to $40,032,-074, the total being $542,565,115.

Assets increased $14,693,244, and now total $142,939,569. The company increased its war bond purchases by $10 million to a total of $25,237,015. Mortgages increased $5,594,445.

There has been added $1 million to free surplus, and $200,000 to contingency reserve. Surplus to policyholders including contingency reserve is $13,200,-000 and $1,021,662 was added to the war mortality fund, bringing this to $1,927,831.

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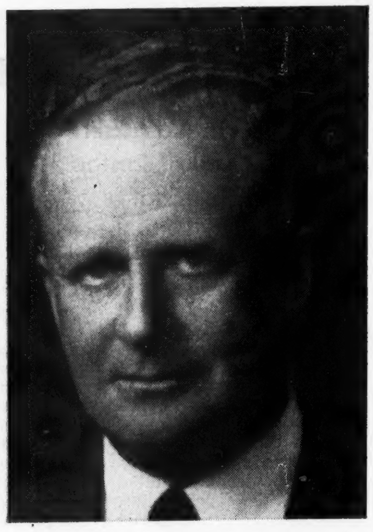
Put on H. H. Armstrong Drive at 40-Year Mark



H. H. ARMSTRONG

H. H. Armstrong, vice-president of Travelers, who will celebrate his 40th anniversary with the organization March 1, is being honored by Travelers agents and field men throughout the United States and Canada during the 40 days preceding the event. As testimonial to his long and outstanding career with the company they are engaging in a life production campaign.

Net Cost of Ordinary Life Is Maintained

Present Figure Compares Favorably with 1920 Level, Institute Reports

The average net cost of ordinary life has shown practically no change during the past year, and today, although materially higher than in 1930, is not far from the 1920 cost level, it is reported by the Institute of Life Insurance, which has made an analysis of policy costs from 1920 to 1944 among companies which carry nearly three-fourths of all U. S. ordinary policies.

On the average, costs are not much different now than in 1920, even though policy services have been greatly increased and the contributions from the investment earnings on policy reserves have been materially reduced. This has been made possible through constantly increasing management efficiency and the benefits of improved national health, it is pointed out.

Interest a Factor

Between 1920 and 1930, life insurance costs dropped as the earnings on invested policy reserves increased in the pre-depression boom of the '20s. At the low point they were from 10 to 15% below the 1920 cost level. As interest rates persistently decreased following 1930 and investment earnings which constitute one of the important cost factors fell off, the cost of life insurance increased. Although interest rates have been declining steadily since 1930, the analysis showed that on the principal types of policies issued, the sharpest increase in cost occurred between 1930 and 1935. The increases would probably have been greater, the institute said, had it not been for the lowered death rate among policyholders, which has partly offset the decline in investment earnings. As the health improvement has been most marked at the younger ages, this factor has had most effect on policies issued at younger ages. On the other hand, the earnings decline has had its greatest effect on policies with larger invested reserves.

Lower on Younger Ages

Costs are now slightly below 1920 levels on policies issued at younger ages, while they are 2 to 4% higher at the older ages. On 20-payment life and 20-year endowment policies, where reserves are higher, the cost today runs 6 to 7% higher than 1920 on policies issued at older ages. As more than two-thirds of all policies are on the straight life plan and most of these are issued under age 40, a large part of all policies show a current cost about the same as or less than that for 1920. The same general trend over the 25 years is shown by both participating and non-participating policies with little variation in costs between the two.

The coverage and services of practically all life insurance policies have been expanded during the years since 1920, so that the current cost gives a broader security than it did 25 years ago. In these years, the airline passenger hazard, now covered in most policies at standard rates, has been added.

Option Service

Another important service which has become established in this period is the use of income options on claim payments. More than $400,000,000 annually

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National A. & H. Association Near Financial Goal

Money for Expansion Program Assured—Endorse Commissioners Bill

By FRANK A. POST

Virtual completion of the proposed financing plan for the National Association of Accident & Health Underwriters was announced at closing session of its winter meeting in Omaha by E. H. Mueller of Milwaukee, chairman of the planning committee, who started the compaign from scratch a year ago. The goal set was to secure pledges aggregating $15,000 a year for a five-year period, by which time it is expected that the expansion program contemplated will have put the association in a position where it will be on a currently self-sustaining basis.

Mr. Mueller announced at the Omaha meeting that he had $5,500 in cash on first-year payments, signed individual pledges for $6,500 and pledges from presidents of local associations where active solicitation has not been carried on sufficient to bring the total to $14,000. The National association is financing an eastern trip which Mr. Mueller will make in March or April to visit associations in that section and he expects that by the time of the annual meeting in June the $15,000 figure will have been exceeded by at least $2,000.

Mr. Mueller said the companies are willing to contribute to the plan of expansion but it is considered better to make of the organization a self-sustaining group, "operated by us, but working in close harmony with our companies."

E. C. Budlong to Retire

It was announced at the Omaha meeting that E. C. Budlong, executive secretary for several years, will retire from that post at his own request on April 1. Mr. Budlong has been a prominent figure in accident and health insurance for fifty years and has a host of friends in both company and agency ranks in all parts of the country. The national headquarters will be moved temporarily to Columbus, O., where they will be under the general supervision of Clarence A. Sholl, national president.

If there should be any relaxation of the ban on conventions, the annual meeting will be held in Denver, as decided at St. Louis last summer, although possibly somewhat later than originally scheduled. If it is decided that a general convention can not be held, a strictly business meeting of the executive board and national council will be held in Chicago the latter part of June. Wichita renewed its invitation for the 1946 winter meeting, if one is held.

Endorse Commissioners' Bill

A resolution endorsing the insurance commissioners' bill in Congress, intended to continue the regulation of insurance in the states, was adopted. It was drafted by V. J. Skutt, Mutual Benefit Health & Accident, general counsel of the association. A memorial resolution also was adopted on the deaths of 16 members of the National association.

A service flag honoring the 178 members now in service was presented by the Omaha association with appropriate ceremonies and officially accepted by President Sholl. The attendance at the Omaha meeting apparently suffered no reduction as a result of the recent convention ruling.

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Columbia Professors Scan Premium Taxes Further

NEW YORK—It seems unlikely that the U. S. Supreme Court will upset any state's premium or other tax laws as constituting a multiple burden on interstate commerce or that conditional reductions in tax rates, or privilege taxes or retaliatory provisions will be held to be an undue burden on interstate commerce unless it can be shown that there is a substantial element of discrimination against out-of-state companies, according to a memorandum prepared by Profs. Noel T. Dowling and E. W. Patterson of Columbia University law school for the Life Insurance Association of America and the American Life Convention. They do not look for any widespread upsetting of state laws on these grounds.

The latest study supplements the original memorandum, distributed by the two associations late last year, in which the professors dealt with the probable status of premium taxes, both discriminatory and non-discriminatory, as affected by the Southeastern Underwriters Association decision that insurance is commerce.

Multiple Burden Doctrine

Regarding the multiple burden question, the supplemental memorandum says that the Supreme Court during the last decade has enunciated a doctrine that a state statute imposing a tax on gross receipts from interstate commerce is invalid if it exposes such commerce to the risk of a multiple tax burden, that is, if other states have the power to impose similar taxes on the same interstate transactions and thus to subject interstate commerce to burdens from which local commerce is free.

The principle that state tax laws must not discriminate against interstate commerce is the basis of the multiple burden doctrine and was first clearly stated by Justice Stone in a case determining the validity of a New Mexico statute taxing the gross receipts from advertising of a magazine published in New Mexico which circulated partly in adjoining states. This was the case of Western Live Stock v. Bureau of Revenue, 303 U. S. 250 (1938). Pointing out that "local taxes measured by gross receipts from interstate commerce, have often been pronounced unconstitutional," Justice Stone explained these prior decisions of the court by saying that the characteristic vice of tax laws that had been held invalid was that they placed on interstate commerce burdens of such a nature as to be capable of being imposed or added to with equal right by every state which the commerce touches, merely because interstate commerce is being transacted, so that without the protection of the commerce clause it would bear cumulative burdens not imposed on local commerce.

This vice was eliminated, Justice Stone said, if the tax was "fairly apportioned to the commerce carried on within the taxing state." However, the New Mexico tax although not apportioned, was upheld because "the burden on the interstate business is too remote and too attenuated." All the events upon which the tax is conditioned, he said, are beyond any control and taxing power which, without the commerce clause other states could exert over the distribution of the magazine or its subscribers.

This doctrine was invoked by the court in two later decisions invalidating state statutes which taxed without apportionment receipts from interstate

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Make Several Changes in B.M.A. Official Staff

Grant, as Chairman, Not to Retire Immediately: Higdon with Firm Since 1921

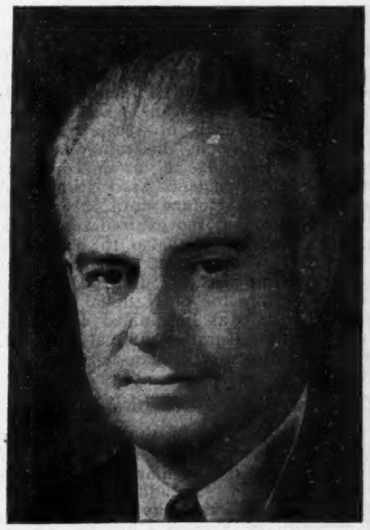
The election last week of President W. T. Grant as chairman of Business Men's Assurance and the elevation of J. C. Higdon from executive vice-president to the presidency does not mean the immediate retirement of Mr. Grant, who organized the company in 1909. There will be no immediate drastic change in duties until war conditions permit the return of the junior men in the organization, Mr. Grant stated.

W. T. Grant

At the same meeting R. R. Haffner, actuary, was elected vice-president and actuary; John W. Sayler, assistant vice-president, in addition was named director of sales; G. J. Tritch was elected field manager; Ben Alton was named assistant secretary, and E. A. Carlson, assistant comptroller.

Higdon Started as Actuary

Mr. Higdon was elected executive vice-president last year, served as vice-president in charge of sales from 1931 until 1944. He became associated with the company in 1921 when he joined his father as a consulting actuary. His



J. C. HIGDON

father, the late John E. Higdon, was actuary for Business Men's Assurance. In 1923 he went witn the company as assistant secretary and when his father retired in 1925 he was made actuary. From 1926 to 1931 he served as actuary and secretary.

A native of Indianapolis, Mr. Higdon graduated from the University of Texas in 1917 and immediately entered the army where he became head of the radio training department of the army aviation school at Austin, Tex. Later he was with the radio section of the air service, and did special investigation work in wireless telephony at Columbia University. His wife, whom he met and married in New York, was the daughter of a Presbyterian medical mis-

sionary stationed in Persia, and wishing to visit her parents after the war, Mr. Higdon obtained a job in the Near East relief organization. From 1919 to 1921 he was with that organization and served also as American vice-consul at Tabriz, Persia.

Serves National Insurance Groups

Mr. Higdon has served on the executive committee of the Sales Research Bureau, as chairman of the agency section of the American Life Convention, and is now a director of the Association of Life Agency Officers.

He has been extremely active in civic and business affairs in Kansas City, serving as a director and vice-president

JOHN W. SAYLER

in charge of membership of the chamber of commerce, director of the Boy Scout council, chairman of the special gift section of the 1943 War Chest Campaign, and assistant director of special sales in the Fourth War Loan Drive. He is chairman of the men's division of the coming Red Cross campaign.

Mr. Grant has been in insurance since 1902 when he went with National Life of U. S. A. at Denver. He became state manager at Butte, Mont., in 1903, agency manager at Kansas City in 1904 and at Pittsburgh in 1905, returning to Kansas City in the same capacity in 1906. In 1909 he organized Business Men's Accident Association, and served as its secretary until 1920, when the company was reorganized as a stock company and began also to write life insurance. Since 1922 he has been president and director. He is also president and director of National Security Life, which was organized by Business Men's Assurance interests in 1937. He is a director of Kansas City Fire & Marine.

Civic and Cultural Activities

He is chairman of the Kansas City Conservatory of Music and trustee of the Kansas City Philharmonic Orchestra Association. In addition he is active in the Kansas City Y. W. C. A., University of Kansas City, the Chevy Chase School at Washington, the Kansas City Museum and Kansas City War Chest. He is a former president of the chamber of commerce.

Mr. Grant has made a deep impress on the insurance activities of the country. He is a former president of the American Life Convention, of the Health & Accident Underwriters Conference and the International Claim Association. He served as member of the executive committee of the Sales Research Bureau and the Life Agency Officers Association.

Mr. Haffner resigned as actuary of the Illinois insurance department, a post he had held since 1930, to become actuary of Business Men's Assurance in April, 1943. He is a graduate of the University of Indiana and was awarded a graduate fellowship at the University of Michigan, where he received his degree as master of arts in actuarial science. He served as actuary of National Fidelity Life, assistant actuary of Inter-Southern Life, and assistant actuary of National Life of the U. S. A. He served as a member of the commissioners' blanks committee and nonforfeiture committee of the National Association of Insurance Commissioners.

He is a member of the Chicago Actuarial Club and of the advisory committee on insurance appointed by the trustees of the University of Illinois.

Mr. Sayler joined the company in 1932 after a year as agent for Equitable of Iowa. He is secretary-treasurer of the Kansas City C. L. U., a director of the Kansas City Life Underwriters Association and chairman of the budget and finance committee.

Mr. Tritch is in charge of agents reporting business directly to the home office. In 1944 business produced by this group increased by more than 39%. He joined the company in 1923 in the accounting department. In 1930 he was transferred to the finance department and in 1933 to the sales department.

Carlson and Alton

Mr. Carlson joined the company in 1930 and has spent the past 14 years in bookkeeping and accounting work. He is a member of the Life Office Management Association educational committee. He has served as president of the KEO Club, home office employes' organization.

Mr. Alton has served as supervisor of the policyowners' service department since 1939. Mr. Alton joined the company in 1921 on the mail distribution desk.

Donnally, Crouse to Lincoln Group Posts

The appointment of J. B. Donnally an Donald L. Crouse as group representatives of Lincoln National Life is announced. They will cooperate with the field force in the production and service of all group lines. Both men have been associated with the group department for the past six months.

Mr. Donnally became affiliated with Lincoln in 1937 after receiving his degree in actuarial mathematics from the University of Michigan. Prior to entering the group department, he was a member of the company's underwriting department for seven years. His father, the late Bert A. Donnally, was vice-president of Southland Life.

Mr. Crouse joined Lincoln as a member of the accounting department in 1928 and in 1932 was advanced to a supervisory capacity in that department. In 1939 he became supervisor of the tax and insurance section of the mortgage loan department.

Launch Health, Welfare Worker Plan

A social security plan extending retirement pensions and life insurance to over 500,000 social, health and welfare workers throughout the nation was announced recently by Gerard Swope, honorary president of Community Chests & Councils. Benefits under the plan set forth by the National Health & Welfare Retirement Association will be reinsured by the John Hancock Mutual Life, with enrollment slated to begin in February. Above, Mr. Swope (seated, center), with Paul F. Clark (seated at right), president of John Hancock, points out some of the employe benefits to three typical employes: Left to right, standing, Jean Grant, R.N., visiting nurse; Dorothy West, R.N., Flower & Fifth Avenue hospital, New York; and Dorothy Spies, community chest office worker; while Milton Glover, (seated at left), president of the new association, looks on.

Hartford Fire Moves to Form Life Company

HARTFORD—C. S. Kremer, president Hartford Fire, announces that the Connectcut assembly is being requested to authorize the incorporation of Hartford Life. Such incorporation would enable the Hartford group, now engaged in the writing of fire, casualty, surety and allied lines, to write all kinds of insurance.

Looking to Future

Incorporation of the new company is now being undertaken because the Hartford group, desiring to be in a position to meet such future conditions as may arise, consider it advisable that some of the preliminary steps necessary to organization now be taken. It is not contemplated that the new company will, if its incorporation is authorized, immediately commence the underwriting of insurance.

W. L. Clark Is Named N. C. Manager of Guardian Life

Walter L. Clark has been appointed manager for Guardian Life at Charlotte, N. C., supervising the entire state.

A native of Reidsville, Mr. Clark was educated there, later attending Trinity College in Durham. He is active in civic affairs in his home community and has been in life insurance since 1932. He has been manager at Charlotte for National Life of Vermont.

Traylor Editorial Chairman

Fitzhugh Traylor, manager of Equitable Society at Indianapolis, has been named chairman of "Manager's Magazine" 1945 editorial board. The committee will work with James E. Scholefield, the editor.

FIGURES FROM DEC. 31, 1944, STATEMENTS

	Total Assets $	Increase in Assets $	Surplus to Policy-holders $	New Bus. 1944 $	Ins. in Force Dec. 31, 1944 $	Increase in Ins. in Force $	Prems. Income 1944 $	Total Income 1944 $	Benefits Paid 1944 $	Total Disburs. 1944 $
Aetna Life	1,040,777,099	100,404,257	94,962,510	2,033,165,200[1]	6,067,999,426	200,116,840	133,592,801	197,066,894	75,393,100	108,105,612
Amicable Life	20,304,224	1,682,279	1,836,115	13,814,846	106,642,313	7,384,569	2,659,399	3,779,177	943,562	2,152,753
Bankers Life, Neb.	44,915,032	2,551,440	5,611,163	19,408,131	155,245,598	12,613,472	3,701,531	7,043,155	2,224,034	4,588,779
Connecticut Mut. Life.	542,427,700	44,357,832	24,908,498	108,374,318	1,295,559,265	69,723,333	48,659,609	86,198,326	28,177,658	45,399,587
Expressmen's Mut. L.	11,985,505	535,326	1,474,411	3,180,500	34,857,039	2,082,695	771,651	1,302,627	628,233	893,665
Franklin Life	65,562,179	7,327,620	5,014,479	36,080,897	271,776,839	24,270,936	9,459,883	13,756,899	3,018,778	7,299,509
George Washington L.	5,653,034	370,101	441,831	1,536,075	21,707,359	22,362	559,088	1,003,238	393,981	638,995
Great National Life	3,910,302	682,225	326,826	4,937,252	27,288,883	3,916,860	866,193	1,185,526	172,971	580,203
Great Amer. Reserve	585,305	144,003	307,166	7,068,352	7,746,405	3,189,741	750,838[2]	762,384	203,855[2]	646,797
Imperial Life, Canada.	119,643,577	7,292,915	7,982,184	37,771,624	366,204,246	21,570,722	11,515,802	19,200,306	6,704,295	11,934,425
Lamar Life	23,424,110	2,394,050	1,400,000[3]	10,618,971	93,610,569	7,221,388	2,640,176	4,388,559	935,250	1,986,603
Midwest Life	6,088,361	284,960	663,966	4,845,898	30,268,784	2,796,722	619,854	1,037,299	284,167	724,847
Mutual Trust Life	70,544,211	7,192,107	5,773,232	28,475,491	242,607,319	21,527,090	8,136,025	12,952,990	4,123,815	6,156,916
National Guardian Life	16,975,290	1,274,243	722,270	8,399,921	67,185,662	6,258,843	1,961,121	2,863,467	855,724	1,592,677
Northwestern Natl.	114,220,589	11,171,723	8,730,770	57,778,998	586,696,979	42,376,449	14,744,221	22,655,574	6,340,432	11,763,466
Ohio National Life	72,483,691	5,357,463	3,723,635	27,070,469	259,079,893	15,038,081	7,903,912	12,227,999	3,636,638	6,895,432
Old Line Life, Wis.	29,092,365	1,914,070	2,365,207	8,270,814	95,095,582	4,221,802	2,882,231	5,014,166	1,659,889	3,234,540
Pan-American Life	59,970,479	7,217,875	3,651,613	34,311,715	225,585,309	20,302,397	9,562,293	13,737,310	3,364,954	6,714,468
Peoples Life, Ind.	14,631,968	1,171,575	1,313,679	9,040,638	67,863,162	4,924,576	1,814,435	2,493,538	684,957	1,366,356
Phoenix Mutual Life.	357,346,123	26,473,242	14,625,588	53,657,264	783,247,500	31,667,900	32,123,117	53,006,305	17,208,514	27,190,655
Pioneer National Life.	1,020,181	113,513	213,133	1,228,000	5,021,000	988,000	157,826	206,848	31,357	93,534
Provident Life, N. D.	7,985,797	1,087,463	835,668	9,627,862	46,522,416	7,128,308	1,295,176	1,885,115	262,218	821,755
Republic Life, Okla.	2,308,389	390,860	614,290	3,450,000	27,217,626	1,571,956	608,009	680,982	90,718	299,916
Rural Life, Tex.	505,273	180,533	166,348	3,433,524	10,597,777	2,431,762	298,595	318,947	34,689	178,203
Sun Life, Md.	30,868,107	3,115,602	3,275,098	26,556,792	194,621,485	12,776,389	5,453,288	6,950,825	1,216,018	3,892,252
Union Central Life	503,384,734	25,563,073	13,644,219	70,842,870	1,184,066,883	26,606,136	39,814,222	71,462,161	27,177,665	45,782,497

[1]Includes $1,615,513,466 additions to group policies.
[2]Includes accident and health.
[3]Exclusive of $355,071 asset and mortality fluctuation reserve.

States Tenants by Sufferance, Dineen Asserts

NEW YORK—The danger that states with good insurance regulations may lose their right to regulate because other states have not kept pace with them is mentioned by Superintendent Dineen of New York in his preliminary report to the legislature. Every effort should be made to preserve the state's sovereignty in insurance regulation but one thing is certain, the states may no longer take refuge for deficiencies in insurance regulation by raising the cry of states rights.

Before the S.E.U.A. decision when insurance was exclusively within the province of the states the failure of a state to meet its responsibilities in this respect could be excused upon the theory that if the citizens of that state were content with inadequate insurance regulation that was their prerogative, the report continues. Now that insurance is deemed commerce and the federal government has the power to undertake its regulation that contention is no longer tenable. The states are tenants by sufferance in the house of insurance regulation and are subject to eviction by the federal government if they do not measure up to their responsibilities. No longer may individual states view insurance regulatory problems with a provincial eye. If the states are to continue to regulate the insurance business Congress must be convinced that the states can perform that task at least as efficiently if not more so than the federal government.

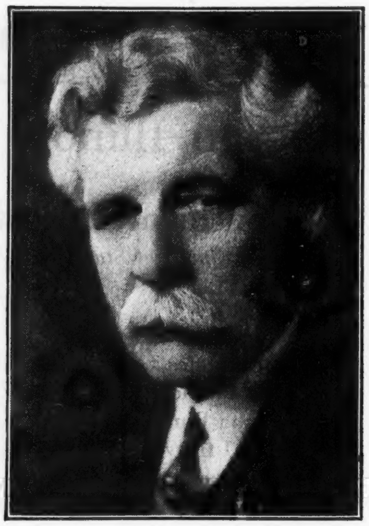
Rhodes Has Record First Year

Robert P. Rhodes in his first year with the R. B. Lanhan agency of Lincoln National Life in Baltimore, paid for $750,000 in business and wrote $1,053,000 on 254 lives. Nine out of 10 of his cases were written on first interview without previous appointment and were on educational, family income and mortgage plans. Prior to going with the Lanhan agency Mr. Rhodes was cashier for 21 years with Prudential and acting manager for one year with Berkshire Life in Baltimore.

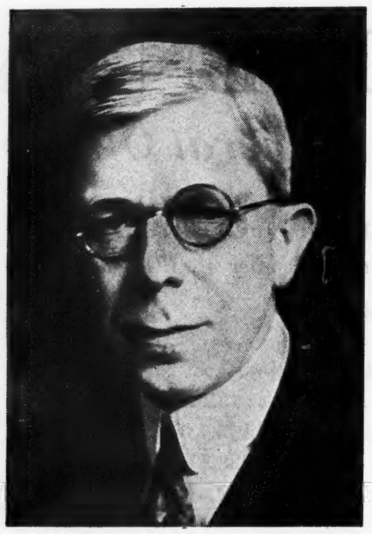
Controllers Institute Members

Gilbert B. Brown, comptroller of the State Farm companies, Bloomington, Ill., and Joseph J. Clair, controller of Metropolitan Life, have been elected to membership in the Controllers Institute of America.

Mutual Benefit Centenary Rites



JOHN R. HARDIN



E. E. RHODES

NEWARK — Brief but impressive ceremonies Tuesday marked the completion of 100 years of continuous operation by Mutual Benefit Life. The "End of a Century Day" had as its main feature the simultaneous closing of the great bronze outer doors at the three entrances to the home office building and their immediate reopening to symbolize the beginning of the company's second century.

For this ceremony the entire home office personnel assembled in the central rotunda of the main floor foyer. President John R. Hardin made a brief talk on the conclusion of the first century of growth and service and the beginning of the new one. Then there was a fanfare by the Bel Canto trumpeters, an ensemble of Newark young women attired in colorful uniforms, and the doors were slowly closed. At their opening there was another fanfare by the trumpeters in salute to the new century.

"Charter Day" Program

On the next day, designated as "Charter Day," commemorating the day in 1845 when Governor Stratton of New Jersey signed the special charter granted the company by the state legislature, work in all departments was suspended at 10:45. At 11 o'clock everybody assembled in the auditorium. Following a talk by President Hardin there was a 13-episode narrative in drama and song for which three individual stages were set up on the main stage. Alois Havrilla, well known radio personality, acted as narrator.

These episodes, enacted by home office personnel, portrayed outstanding occurrences in the company's history from the time the first group of men got together to organize the company down through the Armstrong investigation of 1906. In addition to the enacted episodes slides were shown and there was music characteristic of each period.

Rhodes, Ward Speak

After the dramatic program E. E. Rhodes, senior vice-president, outlined the principles which have made Mutual Benefit a great institution and also talked on probable future developments. Dr. William R. Ward, medical director, responded, rededicating the company's personnel to these principles. Following the program a buffet lunch was served in the dining room, which had been especially decorated with flowers, smilax, palms, and ferns.

Miss Mildred F. Stone, agency field secretary, was chairman of the committee in charge of the charter day program, other members being Mrs. Alice Greenwood, Miss Gertrude E. Sharp, Percy B. Townley, Franklin W. Krout, Paul Rutgers, and Wilbur F. Osborn, all of the home office staff.

On Feb. 7 there will be another program designated as "Family History Day." This will be at 4:30 p. m. in the auditorium. It will open with the singing of songs popular in 1845, after which Mr. Hardin will talk on the life of Robert L. Patterson, founder of the company. Mr. Rhodes will give his recollections of Amzi Dodd, for many years the company's president, and of Bloomfield J. Miller, its mathematician for many years and the man who employed Mr. Rhodes.

After the auditorium program, the staff will be entertained at dinner in the company dining room, with the first 100 members of the company in point of service seated at specially decorated tables. Vice-president Rhodes is the dean of this group. After dinner the guests will view an exhibit of historical records prepared by Franklin Krout, chairman of historical research, and the day's activities will close with cards, music and dancing in the recreation room.

New Tenn. War Death Bill

NASHVILLE—A bill introduced in the Tennessee legislature and now in committee would make official War Department reports of death of service men "prima facie" evidence of such deaths and thus effecting payments of life insurance other than National Service Life.

Lincoln National Attack on Okla. Tax Is Shown

WASHINGTON—In No. 833 on the U. S. Supreme Court calendar, Lincoln National Life vs. Jess Read, Oklahoma commissioner, the "Statement of Jurisdiction" says Lincoln National complains of Oklahoma's imposition upon its foreign insurers a 4% premium tax, on the ground that it is burdensome and discriminatory and denies them equal protection of law in Oklahoma as guaranteed under the 14th amendment.

The issue of interstate commerce does not appear to be involved. The question is stated to be whether the Oklahoma tax is sustainable as an admission fee or whether it is a tax which must not be discriminatory as against any person within the state's jurisdiction. The company contends it is discriminatory and, therefore, invalid because in conflict with the 14th amendment.

Repugnant to Constitution

The company submits to the court that the case presents a clear instance of controversy where is drawn in question the validity of a state statute on the ground of being repugnant to the Constitution. There is declared to be no doubt as to substantiality of the federal question. Hanover Fire vs. Carr is cited.

The question is declared to be whether the levy is a tax or an admission fee, "and to be an admission fee, the levy itself must be directly and primarily a condition precedent to do business within the state for a future period." On the contrary, it is contended, the Oklahoma levy "was not a valid condition precedent to admission to the state but was 'made to apply after' the foreign insurance company had been received into the state." If a condition at all such a requirement is declared to be a "condition subsequent rather than a condition precedent," the tax not coming due until the end of the year for which the company is licensed by Oklahoma.

The principle in Fire Association vs. New York it is indicated, does not apply. Provisions of the Oklahoma constitution, Lincoln National holds, do not relieve that state from granting to foreign companies equal protection of the laws.

The case "presents questions of primary importance relating to the constitutionality of a tax, the rate of which has been increased from 2% to 4% after a period of approximately 35 years" during which foreign companies had established in Oklahoma "a valuable and irreplaceable business representing the investment of extensive capital," the Supreme Court is told, and these questions have not heretofore been decided by it.

"A decision of that court is of pressing importance to the parties to this cause and to all foreign insurance companies doing business in Oklahoma, as well as to the insurance business generally," said the company.

The precedent established by the Oklahoma supreme court is declared "of the utmost importance to many Oklahoma insurance policyholders and in the interest of the public should be reviewed before the legislatures of various other states seek to adopt similar discriminatory laws."

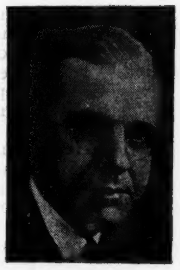
Aside from the novelty and importance of issues presented, the company says the Oklahoma decision should be reviewed as "clearly erroneous and not in accord with the principles of applicable decisions" of the supreme court in a number of cases cited.

Insofar as the decision below sustains the validity of the Oklahoma taxing act the company urges it should be reviewed for the additional reason that it is not in accord with the principles of the 8th circuit court decision in Sneed vs. Schaeffer Oil & Refining Co.

Income Tax Records build good-will. Write National Underwriter for samples.

Improve Use of Native Power, Chapman Exhorts

NEW YORK—An eight-point program for improving personal efficiency to make 1945 a year of achievement for the agent was suggested by L. W. S. Chapman, director of service, Sales Research Bureau, addressing a New York City Life Underwriters Association educational course. They are: Sweep out mental cobwebs; let habits help by forming good ones; balance your budget; look to your health; plan your work; keep records and use them; start now, and follow through. Basically, he said, success in life underwriting depends on personal efficiency, prospecting efficiency, selling efficiency, and mental attitude. Improvement in any one of these factors results in multiplication, not addition, of results achieved, he emphasized. A champion is but an "eyelash" stronger than the runner up.



L. W. S. Chapman

The difference in production between a $250,000 producer and a $100,000 producer is 150%; actually, there is but only a 5% or 10% difference in efficiency. Rating each of the four basic factors, 6 passing, 7 fair, 8 good, 9 excellent and 10 superior, he showed that only a slight difference exists between the producer who is doing a passing job and the man who is making a career for himself in the business.

6 x 6 x 6 x 6 equals $1,296 first year commission job.

7 x 7 x 7 x 7 equals $2,401.
8 x 8 x 8 x 8 equals $4,096.
9 x 9 x 9 x 9 equals $6,561.
10 x 10 x 10 x 10 equals $10,000.

Answering the question, "Do you want to enough?" Mr. Chapman said the agent could make 1945 his best year if he is willing to pay the price of championship, which requires talent plus a passionate willingness to pay the price. Though 1944 has been called the "honeymoon" year, the agent's share of new ordinary is 180% of what it was 10 years ago because there are fewer agents.

For every person who is limited by a lack of native ability, there are hundreds of thousands who don't want to succeed enough, Mr Chapman said. The average person employs only 20% to 30% of his native ability and the exceptional man employs 50%. Proof that the average agent does not employ his full talent is indicated by the fact that an agent may do in 30 days as much as he would ordinarily do in 60 days, qualifying for a convention by a week's effort; looking at his best week or month in the business and examining the reasons for it. An agent is not limited by a ceiling in ability in his accomplishments but by his failure to use all of what he has, he emphasized.

H. D. Josephson, general agent Mutual Benefit, chairman of the course, urged each agent to put Mr. Chapman's suggestions into effect immediately by writing down his reactions to the talk and definitely committing himself to a specific objective, giving the memorandum to his supervisor or general agent.

Hartford Chapter Hears Olmsted

R. E. Olmsted of Providence, R. I., an early C.L.U., discussed plans for enlarged activities of the American Society of C.L.U. at a meeting of the Hartford C.L.U. chapter. He is vice-president of the American Society and New England regional director. President Wilbur Pratt took up the chapter's plans for the year, and George Richards, vice-president, discussed proposed changes in by-laws necessary to coordinate it with the American Society.

It was voted to hold the next meeting in April, asking members of the local C.L.U. study group who are preparing for their June examinations under L. J. Ackerman, dean of business administration at University of Connecticut, as guests.

Honor 25-Year Group

Eight veteran employes of Northwestern National Life were saluted at a dinner meeting sponsored by the Nonalico club, home office employes organization, in observance of the 25th anniversary of the club's founding.

Veterans honored, all of whom completed 25 years during the past year, were the Misses Jessie Mills, Blanche M. Barker, Hulda C. Oman, Delia E. Pearson, Eugenia Leathen, Mrs. Alpha Dunn Zoller, and Walter W. Johnson and George E. Mundale. Four of them were presented with watches, appropriately inscribed, and the other four, in accordance with their wishes, received gifts in sterling silver.

Among honored guests was Miss Ida Bingenheimer, now retired on pension, whose 42-year record of service began 54 years ago, just six years after the company's founding.

The company has 26 active home office employes, each with 25 years or more of service.

Maurice M. Henderson, manager of the premium collection department and Nonalico club president, was in charge.

Dividends Are Increased

North American Life of Chicago has declared a stockholders dividend of 20 cents a share, 10 cents being payable Feb. 5 to stock of record Jan. 29, and 10 cents on Aug. 6 to stock of record Aug. 1. In 1944 the dividends totaled 15 cents, in 1943, 12 cents and in 1942, 10 cents.

Rules on Dividend Application Under Employes Plans

WASHINGTON—Application of dividends under employes' plans is dealt with in Pension Service ruling 45, issued by the internal revenue bureau pension trust division.

The ruling was rendered in response to request for advice "whether dividends received on contracts under employes' plans may be used to provide additional benefits or whether such dividends may be accumulated in a suspense account for ultimate distribution to participants." The answer in the ruling follows:

"The accumulation of dividends in a suspense account for ultimate distribution to remaining participants will not be acceptable, in any event, if such distribution may result in discrimination in favor of officers, stockholders, supervisors, or highly compensated employes. However, dividends may be applied toward the purchase of benefits, in addition to those specified, for the participants on whose contracts the dividends arose, if the benefit formula explicitly provides for such application of the dividends and if such application does not discriminate in favor of officers, stockholders, supervisors, or highly compensated employes; particularly such additional benefits must not result in failure to meet the requirements for integration with social security benefits.

"In determining whether a plan meets integration requirements, any additional benefits which might result from dividends must be taken into account. Thus, where the specified benefits without taking such additional benefits into account, fall within the limits of mimeograph 5539, but the use of dividends to provide additional benefits might result in exceeding the limits of mimeograph 5539, such use would be unacceptable. Any dividends in excess of those which, when added to the specified benefits would provide total benefits which fall within integration requirements, must be used to reduce employer contributions."

Gives Tips to Farmers on Buying Insurance

How farm families can effectively map out a life insurance program is described in the February "Capper's Farmer" by Francis Kutish of Iowa State College in an article entitled "Packaged Life Insurance."

Mr. Kutish recommends that the farmer first select the kind of a policy that best suits his family's needs; consider whether his major need is savings or protection, then choose the policy that gives the most of what is wanted (savings or protection) for the money invested; avoid the kind and amount of insurance that is too costly to fit into the family's financial program.

He recommends that the farmer secure figures from several insurers before making his decision. Some companies, he said, are more careful in selection—follow an investment policy which earns them more on their investments than do other companies and are able to do business at lower cost than their competitors. "Those are the efficiency factors for life insurance companies."

Be sure, however, to choose a company large enough to withstand the ups and downs of business over a period of years and the possibility of large death claims due to epidemics.

Republic Nat'l S. S. Parley

A three-ray seminar for study of social security by a selected group of agents of Republic National Life opened Monday under direction of Hilbert Rust, vice-president Research & Review. M. Allen Anderson, first vice-president and director of agencies, was in charge.

The general agents advisory council met the Saturday preceding at the home office.

Make Progress on Air Cover for Army, Navy Passengers

WASHINGTON—A further conference will be held in New York, probably in the near future, it is learned, with a view to determining ways and means of offering accident insurance, world-wide, to army and navy personnel and civilians riding the skyways on army transport command and naval air transport. This follows last week's conference here under the sponsorship of the U. S. Chamber of Commerce between insurance men and representatives of the army and navy.

Those interested in the project and the coming conference are advised by the U. S. Chamber to communicate with William McKell, president New York Casualty and chairman of the chamber's insurance committee, aviation section.

Insurance executives attending the recent meeting indicate it was well worthwhile and that questions that had arisen were cleared up by representatives of the military services attending. Questions were answered and much valuable data was made available on a restricted basis.

At the forthcoming New York meeting it is expected that Col. Reese Hill, chief of the War Department's insurance division and who has much to do with questions of policy with relation to army insurance matters, will be present.

Problems Simplified

Problems involved in coverage of ATC and NAT operations appeared to have been simplified at the conclusion of the meeting here, it was said. Company people, however, will determine how to meet them, it was added. The proposed insurance would be taken out individually by passengers aboard army and navy transport planes.

The record of ATC and NAT plane operations in carrying many thousand passengers on six continents and over the seven seas, including combat areas, is understood to be amazingly good and their experience figures are reported to compare favorably with those of civilian-operated airlines.

Representatives of 46 fire, casualty, life and accident and health companies were present.

James L. Madden, vice-president of Metropolitan Life, acted as chairman. Maj. D. W. Long of the army transport command supplied answers to many questions which had previously been submitted as well as those submitted from the floor. In this work he was assisted by Col. Hill; Maj. Lazarus and Lt. Com. Procopio of the navy.

Major Long stated that this is a job for the insurance companies in its entirety, including rates, policies, etc. He stated that a traveler could not be confronted with an assortment of 50 or more policies from which to make a selection; that there are hundreds of air-fields under operation of the War Department all equipped with a finance officer as well as a postoffice. Any traveler desiring coverage could fill out an application at the post and secure a money order at the same time, depositing it in the local postoffice immediately preceding his flight and in this manner the matter of premium collection would be taken care of.

A question arose as to whether it was best to have a trip or daily rate. It was the general opinion that a trip rate was more satisfactory because often a passenger is delayed at a transfer point or points.

During luncheon a general discussion brought out the opinion that the formation of a pool issuing one application and one contract and each participating company taking a percentage with a maximum liability of risk with only death and dismemberment coverage could be the only logical solution. Weekly indemnity seemed to be out of the question.

25-Years on App-a-Week Roll of New England Mutual

Wilbur L. Matheney of the Ray C. Roberts agency of New England Mutual Life at Charleston, W. Va., has completed 25 years of consecutive weekly production. He entered the business in 1918 with Paul M. Smith, who was then at Charleston but is now general agent for New England Mutual at Columbus, O. From Jan. 1, 1920, to Jan. 1, 1945, Mr. Matheney produced at least one application a week. In December, 1936, and in June, 1937, he produced one application for each working day of the month.


W. L. Matheney

Mr. Matheney graduated from the life insurance school at Carnegie Institute in 1920. He is a past president of the Charleston Life Underwriters Association and served as secretary three terms. He has been an active usher of the Christ Church Methodist 33 years.

New Advisory Unit Members

Three new members have been elected to the general agents' advisory committee of Connecticut Mutual, they being Paul C. Kaul, Omaha; Phinehas Prouty, Jr., Los Angeles, and E. Dale Shepherd, Houston.

John M. Fraser, New York; James G. Hill, Chicago; and E. F. White, Dallas, who were elected by the general agents a year ago, will continue to serve on the committee for another year. The committee meets twice a year at the home office.

Biddle to Drop Criminal Charges in S.E.U.A. Case

U. S. Attorney General Biddle in addressing the Hartford County Bar Association announced that he will move to drop the criminal charges in the S.E.U.A. case. Such a move has been generally predicted for the past several months. It has been said that the Attorney General appreciates the difficulty of getting a conviction on criminal charges of men who were following practices that could not be challenged until insurance was declared to be commerce and in his Hartford talk Mr. Biddle said it would be unfair to try men on criminal charges because they followed practices which for 75 years were believed to be legal.

Thus a dizzy cycle has been completed. In order to prosecute insurance company executives and S.E.U.A. officers on criminal charges it was necessary for the Attorney General to get a Supreme Court decision that insurance is commerce and having gone to the trouble to get such a decision he now drops the criminal charges.

It will also be interesting now to see what happens to the litigation that kindled the S.E.U.A. case—the quo warranto proceedings against stock fire insurance companies in Missouri. Attorney General McKittrick of Missouri is out of office, the special master who supervised the taking of some 40,000 pages of testimony and countless exhibits is seriously ill.

Biddle in his Hartford talk said again that the Department of Justice has never intended to seek federal control of insurance and said he supports state regulation. The Department of Justice, he said, with some reservations, favors the McCarran-Ferguson bill. He said he is against exempting insurance from the anti-trust laws because if that were done it would be an invitation to railroads and other industries to seek similar exemption.

Mr. Biddle recommended that the states in conforming their laws to the S.E.U.A. decision, enact a standard form of regulation.

The Department of Justice, according to Washington dispatches, now intends to bring a civil suit in federal court at Atlanta in which an injunction would be sought against the practices that were attacked in the original indictment.

It is indicated that the Department of Justice believes a civil suit would create a better relationship between the insurance industry and the government since the criminal proceedings would take on the flavor of persecution, particularly in view of the unsettled state of affairs.

Ky. Takes Sideline Position on Premium Tax Issue

Although the Kentucky legislature does not meet until next year the question of whether the state premium tax law is valid does not present such an acute problem in Kentucky as in a number of other states. In Kentucky, according to L. J. Taft, assistant insurance director, premium taxes wrongfully paid in the state can be recovered within two years and it is not necessary to pay such taxes under protest in order to have a valid claim for recovery.

Mr. Taft said that Kentucky can take a sideline position so as to have plenty of time to determine whether remedial action needs to be taken next year. Kentucky imposes a 2% premium tax on fire companies, both domestic and foreign, but in other lines the 2% tax is imposed only upon foreign insurers. There is a tax of ½% on both domestic and foreign fire insurance companies to finance the section of fire prevention and rates.

N. J. Seeks to Square Laws with Commerce Decision

TRENTON, N. J.—Deputy Commissioner Gough announces that the insurance department and attorney general are sponsoring extensive legislation designed to square New Jersey's tax and regulation laws with the consequences of the commerce case decision. Most arresting is a bill to permit insurers, with adequate resources, to engage in multiple line underwriting except that only A. & H. may be bracketed with life insurance.

"As a result of the decision of the U. S. Supreme Court in the South-eastern Underwriters Association case that insurance, when conducted across state lines, is interstate commerce, New Jersey has given much study to the validity of its regulatory and tax laws affecting insurance," the statement declares.

"A rating law, requiring state approval of rates, was enacted last year. This law took the operations in this state, as far as rate-making was concerned, outside the purview of the federal anti-trust laws, but it took care of only one phase of the situation.

"With respect to the other phases, bills for introduction in the present session of the legislature have been prepared by the attorney general in collaboration with the department of banking and insurance. There are two such bills, one relating to taxes and the second to other restrictions and discriminations. The latter proposes to remove restrictions contained in the existing law on underwriting powers of companies, both domestic and foreign, thus making it possible for any company, having the required financial set-up, to write all forms of insurance with the single exception of permitting life insurance to be combined only with accident and health insurance. This is deemed to be reasonable and in the public interest. The bill also eliminates discriminations in the existing law as between stock and mutual companies and removes the discrimination between domestic and foreign companies as to the fee for an agency appointment.

"The tax bill proposes to remove the discriminations in the present law as between domestic and foreign companies by basing a tax on New Jersey premiums of all companies transacting business in the state and engaged in interstate commerce, and includes complete repeal of the retaliatory provision of the insurance law.

"In connection with this program there has already been introduced in the legislature a bill, sponsored by the department, to authorize the payment by insurance companies of taxes under existing tax laws until such time as their invalidity may be established by appropriate court procedure."

Mass. Savings Banks to Continue Dividend Rates

BOSTON—Dividends on Massachusetts Savings Bank Life policies will be continued on the 1944 basis. After payment of death claims and expenses, setting aside full legal reserves and providing for dividends, about 25% will be transferred to surplus and guaranty funds. Total insurance in force advanced to a new high of $248,000,000 as of Oct. 31, 1944, the end of the fiscal year. Assets increased by $4,393,137 to $50,300,136.

Civilian mortality, continued to be gratifyingly low, largely offsetting the increased war casualties and helping to keep the mortality ratio at about last year's low rate. Despite rising costs, insurance expenses amounted to only $2.66 per thousand dollars of insurance in force.

Purchases of new policies showed a substantial gain. The new policies issued without medical examination on children under 15 have proved especially popular. Terminations continue at a very low rate, and many policyholders have increased the amount of insurance protection both on their own lives and on members of their families.

Guertin Bill N. Y. Outlook Not Bright

Modification of the standard Guertin bill to amortize the acquisition costs of life insurance policies over a period of 10 years for participating and 12 years for non-participating has been suggested in a report made by Julius Sackman of the life bureau of the New York department on the basis of a study he has made of representatives companies. The Guertin measure would permit amortization of acquisition expense over the entire life of the policy.

The report is said to show that these shorter amortization periods are entirely practicable and are in line with the practice of companies currently doing business in New York. The life companies have been hoping to get the Guertin measure passed at this session of the legislature, but the suggested changes make the outlook far from bright.

An unfortunate angle is that failure of New York to act has caused a number of the 22 other states where Guertin measures are needed to withhold action. While it is conceded that some companies could take advantage of the lengthy amortization provisions, it is held that competition would bring about more liberal treatment of policyholders, as it does under the present law, than the companies would be legally compelled to give.

Other suggestions in the Sackman report are that 3% instead of 3½% should be the highest rate of interest permissible in the interest assumption and that the Guertin provision for an interest differential between valuation basis and nonforfeiture values should be modified to insure greater equality of treatment between continuing and withdrawing policyholders.

$2,000,000 in First Year

J. Clayton Schaefer, manager of the life department in California for Newhouse & Sayre, general agents of Great-West Life, reports placed business of $1,963,000 in the first full year of operation. Headquarters of the life department are located at Los Angeles, and a completely equipped branch is maintained at San Francisco under the management of John F. Fixa.

Commissioners' Steering Group at St. Louis Feb. 9-10

A meeting of the executive committee of the National Association of Insurance Commissioners has been called for the Hotel Statler, St. Louis, Feb. 9-10, by Chairman E. L. Scheufler, the Missouri insurance superintendent. Although various matters relating to the federal legislation question will undoubtedly be discussed, it is understood that one of the principal subjects will concern the filling of the vacancy in the position of N.A.I.C. representative on the National Council on Compensation Insurance due to the death of C. W. Hobbs.

N. C. House Passes Premium Tax Relief Measure

RALEIGH, N. C.—The North Carolina house has passed a bill relieving officers and directors of insurance companies of personal liability by reason of payment of state premium taxes subsequently held to be invalid.

Tribute Paid Insurance for Army Allotment Aid

Insurance companies are making an important contribution to the winning of the war, according to Brig. Gen. H. N. Gilbert, director of the War Department office of dependency benefits which disburses family allowances and allotments-of-pay to more than 14 million dependents of army men and women. Insurance companies are providing practical assistance to the ODB, having worked out a practical plan for cooperation with the war agencies which were charged with the responsibility of handling servicemen's financial affairs. Millions of accounts had to be set up by the ODB, with all possible speed; hundreds of thousands of them were for the payment of soldiers' civilian life insurance premiums.

In disbursing billions in family allowances and allotment-of-pay checks, "Without the close cooperation from insurance companies, our task would have been much more difficult; indeed, well-night impossible to accomplish with the high degree of efficiency set as our goal," the general declared.

Rowland Heads Committee

The first step in this effort on the part of the insurance world to assist the armed services, was the formation of a sub-committee of the Life Insurance Coordinating Committee headed by Frank L. Rowland, executive secretary Life Office Management Association, assisted by Godfrey M. Day, chairman of the war claim liaison committee International Claim Association; Willard D. Holt, assistant secretary Provident Mutual Life; H. V. Merritt, manager war service bureau Metropolitan Life; Edmund T. Mimne, assistant vice-president New York Life; William Mitscher, Jr., assistant treasurer Prudential and Ronald G. Stagg, actuary Lincoln National Life.

In October 1942, this committee met in New York with committees representing the four arms of the fighting service. Out of this conference came the plan for close cooperation between insurance companies. A war service bureau was set up in each of the principal companies to serve as a point of contact, a clearing house for exchange of requests and information between the insuring companies and the various interested agencies, the largest of which is the ODB.

Uniform Policy Adopted

A uniform policy was agreed upon for handling, with leniency and proper consideration for war's dislocations, all civilian life policies held by all who entered the service. Procedures to be followed were embodied in a premium allotment manual.

Under the war policy established, a serviceman's life insurance premium are kept alive despite (a) failure to receive premium payments on the date due (b) underpayment of premium caused by the inability of the insurance company to reach the insured to notify him of a change in insurance rates. Small arrears or underpayments are handled as shortages covered by the automatic premium loan, subject to adjustment upon return to normal times. Furthermore, in the event of a change in beneficiary, the companies agree to waive the usual rigid forms in favor of a simple written request from the serviceman for such change, signed by the insured and duly witnessed.

Great Savings in Time

The liberal policy and close coordination of insurance companies has meant a tremendous saving of time, labor and confusion. It eliminates an incredible number of unnecessary changes and stoppages caused by cancellations of policies when allotment information from the field to the ODB is delayed in transit.

ODB has handled more than 9,000,000 changes in its 7,000,000 accounts caused by birth, death, marriage, etc., as well as changes of address which pour into the ODB by the thousands each month.

Insurance Men in ODB

Assisting General Gilbert with the efficient administration of this tremendous volume of work are many officers who were formerly in the life insurance field. Among them are: Maj. E. L. Stidham, Travelers; Maj. A. O. Graeser, Ohio National Life; Maj. H. B. Hensel, Equitable Life; Capt. J. W. Ward, Jr, and Lt. P. C. James, Prudential; Capt. W. D. Anderson, Union Life; Lt. P. E. Anderson, State Mutual Life, and Lt. M. E. Correll, Iowa insurance department.

Importance of Contribution

Summing up the service being rendered by the coordinating committee to millions of Americans both here and on the far-flung battlefronts, and to the ODB itself, General Gilbert pointed out that next to keeping the fighting man's family paid, nothing is more important than keeping its future safe through his insurance and giving him confidence that this is so.

"This invaluable contribution being made by the insurance world to the maintenance of security at home and peace of mind on the firing line," he said, "may appear to be a technical matter of little interest to others than the agencies and the companies concerned. But it is important to millions in its clear-cut intent to waive non-essentials and 'Keep 'Em Insured!' "

New Orleans Agency Leads Mutual Life in Volume

First place among the 73 agencies of Mutual Life was won by the New Orleans agency for writing the largest volume of life insurance during 1944. The agency is managed by Richard F. Lawton. It was second in number of policies sold.

This is the sixth time that the Lawton agency led the company. Since Mr. Lawton became manager in 1923, it has ranked among the first 10 leaders annually, except four times, and was among the first five leaders 17 times.

In the 21 years that Mr. Lawton has been manager the agency has written $160 million.

Minnesota Mutual Leaders

Boyd L. Weide, Austin, Tex., general agent of Minnesota Mutual Life, led the company in paid business for 1944. Russell H. Pearson, Fort Worth general agent, won the convention presidency for 1945 and R. L. Bowman, San Francisco general agent, is convention vice-president.

Study Shows How Insurance Buying Rises with Income

WASHINGTON — When individual incomes increase by 10% individuals' expenditures for life insurance and for fraternal and assessment associations increase by less than 8%, according to Louis J. Paradiso, chief business statistician unit bureau of foreign and domestic commerce, Department of Commerce, in an article on classification of consumer expenditures by income-elasticity published in the department's survey of current business.

By the same token, income of life insurance companies and fraternals and assessment associations increase less than 8% under such circumstances. The same percentage increases in consumer expenditures and industry income apply in the case of automobile insurance according to the Paradiso study. The study classifies expenditures for life, fraternal, assessment and auto insurance in the group of expenditures labeled "insensitive," relatively, to consumer income increase.

Accident and health insurance, net payments, on the other hand, are classed in the second group of commerce expenditures denominated "somewhat sensitive" to consumer income changes. Paradiso explains that when consumer income increases 10%, for example, consumer expenditure for accident and health increases by from 8 to 12%.

The third group of consumer expenditures classed as "sensitive" to income changes includes mutual accident and sick benefit associations net payments. Paradiso says when individual incomes increase 10% expenditures for that purpose increase more than 12%.

The incomes of accident and health and mutual accident and sick benefit groups would increase respectively, by from 8 to 12% and over 12%, accordingly, the study indicates.

Opposes Cal. Group Bill

LOS ANGELES — Commissioner Garrison has expressed his disapproval of the measure introduced in the California legislature providing group cover for private employes associations. "This proposal meets no conspicuous need in view of the availability of group insurance to employers and to bona fide labor unions, and is conducive to the same adverse selection experienced by assessment insurance because of the absence of employers contribution to stabilize the cost," he stated.

Ia. Burial Bill Reported Out

DES MOINES—The Iowa senate insurance committee has reported out for passage a bill which would tighten up the laws on burial societies selling sick and funeral benefits and place them under the state insurance laws.

Hearings Held on N. C. Revision Measures

RALEIGH, N. C.—Following hearings held here on 11 proposed bills drawn up for presentation to the North Carolina legislature by a commission appointed recently to revise and strengthen the state's insurance laws, the commission went into executive session to determine what changes should be made in the bills before they are presented.

During the hearings Samuel Booke, Winston-Salem, N. C., representing Security Life & Trust, protested against the capital and/or surplus requirements for new companies, asserting that the surplus is much more important than the capital in building a life company and that under the $200,000 capital and 50% additional surplus provision, no new company ever will be formed. He asked that a reduction be made in the requirements.

Irving Hall, Raleigh, N. C., State Capital Life, and Julius Smith, Greensboro, N. C., representing Jefferson Standard Life and Pilot Life, backed Mr. Booke's contentions.

Also protested by life companies was a provision requiring that no investment or loans, except loans made on the company's own policies, shall be made by any domestic insurer unless the same be authorized or approved by the board of directors or by a committee thereof charged with the duty of supervising investments or loans.

N. Y. Life Offers Plane Crew Cover

New York life has announced a program whereby civilian pilots and other civilian members of crews may obtain insurance coverage for the face amount in event of death occurring as a result of operating or riding in an aircraft of a commercial airline incorporated in the United States or Canada and flying on a regularly scheduled route.

Following is the schedule of maximum amounts and annual extra premiums: Between definitely established airports within the United States and Canada for amounts up to $25,000, an annual extra premium of $4 per thousand; between definitely established airports within the U. S. and Canada or between such airports and definitely established airports in Mexico, Central America, South America, Cuba and other West Indies islands or Bermuda, for amounts up to $10,000, annual extra $7; between definitely established airports within U. S. and Canada or between such airports and definitely established airports anywhere else in the world for amounts up to $10,000, annual extra $15.

Applications will be considered for any plan of insurance except family income, term or two-year term-ordinary life. No double indemnity or waiver benefits will be granted.

This coverage, of course, will be issued with the regular war clause which limits coverage for civilian deaths during the first two years as a result of war outside the United States and Canada.

California Agencies Men Honored

SAN FRANCISCO—W. J. Whitchurch, Los Angeles, vice-president of California Agencies, Inc., representing Continental Casualty and Continental Assurance, was presented a wrist watch at a surprise dinner here, in commemoration of his 25th anniversary with California Agencies.

George H. Keesling, vice-president of California Agencies in the San Francisco office, who completes 25 years Feb. 1, was presented a gold pen and pencil set.

Presentation was made by President C. A. Teasdale. The dinner was attended by the officials and staff members of the San Francisco office.

Confer on Ohio Premium Tax Issue

Former Governor John W. Bricker has been engaged to represent the Ohio life insurance companies in the conferences now being held with Gov. Lausche, Director of Commerce James M. Huffman and Superintendent of Insurance Dressel at Columbus relative to alleged tax discrimination in favor of the domestic companies. Howard Burns, a member of the law firm of Baker, Hostetler & Patterson, of Cleveland, representing Prudential, conferred with the three officials Friday afternoon.

Mr. Burns made it clear that he represents only Prudential. He expressed the hope that some plan might be worked out by which the alleged discrimination can be stopped. He asserted that unless this were done, his company would be compelled, in all probability, to file suit to enjoin the collection of the taxes, due in March, or else pay the taxes under protest and sue later to recover them.

Mr. Burns said that companies were fearful that if their directors paid taxes which were later declared to have been improperly levied and collected in face of the S.E.U.A. decision, they might be held personally liable. Reference was made to "immunity" legislation which has been proposed in several states for the protection of directors. In the course of his talk, Mr. Burns said he was in favor of state regulation.

In Ohio all foreign insurers pay a tax of 2½% premiums tax. Domestic companies pay a franchise tax based on the combined capital and surplus or 8⅓ times the premiums received, whichever is smaller. The tax is .2%. Fire insurance companies also pay a state fire marshal tax of .5%. Foreign companies pay into the state annually about $8 million while the domestic companies pay about $250,000.

A conference was held Tuesday between Gov. Lausche and representatives of the Ohio companies, and Gov. Lausche said that he would take no action pending final action by Congress on insurance legislation. The governor said that if any time he felt that the state's finances were in jeopardy he would act promptly to provide necessary revenues.

Indiana Life Companies Honor Pearson, Viehmann

The Association of Indiana Legal Reserve Life Insurance Companies sponsored a dinner in Indianapolis Monday evening to welcome the commissioner, John D. Pearson, and for a friendly farewell to Retiring Commissioner Viehmann.

Wendell P. Coler, American United, was toastmaster. He welcomed Mr. Pearson with the promise that he would get hearty support from life men. In his response, Mr. Pearson stressed his interest in striving to improve public relations toward the insurance industry.

In introducing Mr. Viehmann, Mr. Coler expressed appreciation of the fine service he had rendered throughout his term of office. In response Mr. Viehmann said this had been made possible through the cooperation he had been given by such organizations as that of the Indiana life companies and their representatives.

About 50 attended the dinner, including a number from outside Indianapolis. Lawrence J. Doolin, assistant manager of agencies of Fidelity Mutual, who was in the city, was a guest.

Shelby Louisville Manager

LOUISVILLE—William D. Shelby, Jr., for the last seven years a special agent here for Acacia Mutual Life, has been named manager to succeed James H. Chappell, who is retiring due to ill health.

Mr. Shelby, a former mathematics teacher at a junior high school, led the Acacia field force in 1942, and wrote more than a million in 1944. Mr. Chapman, for 11 years in charge at Louisville office, will devote his full time to personal selling.

Detroit Trust Council to Finish Organization Feb. 7

DETROIT—The Detroit Life Insurance & Trust Council will be formed at a dinner meeting here Feb. 7. Paul H. Conway, Syracuse general agent John Hancock and chairman of the N. A. L. U. committee on cooperation with trust officers, will outline the purposes of the councils now operating in 21 cities before Detroit general agents and managers, directors of the Detroit Life Underwriters Association and trust company officials.

J. W. Paige, manager Mutual Life of New York, has been in charge of a special committee to perfect the Detroit council's organization.

Warner F. Haldeman, associate counsel of Penn Mutual Life, spoke on "Federal Taxation and How It Affects Life Insurance" before the **Columbus C.L.U.**

Fort Wayne, Ind.—E. E. Ballard, Indianapolis, vice-president and agency director of Jefferson National Life, discussed "Life Insurance as a Business and a Hobby."

N.A.I.C. Head Gives Union Central Talk

CINCINNATI — Completion of an epic year for Union Central was celebrated at the annual luncheon of home office employes. The milestones passed in 1944, according to President W. H. Cox, were: For the first time assets reached the $500 million mark, and the company passed the billion mark in payments to policyholders and beneficiaries.

Newell R. Johnson, of Minnesota, president, National Association of Insurance Commissioners, was the featured speaker. He commented that field men sometimes feel the home office people are only rejecters of good business and writers of sharp letters. Closer association with the home office personnel dispels those ideas.

Life insurance, he said, is the greatest single collector of funds for investment in government bonds.

After victory, life insurance will pour into industry and into homes the tremendous force of needed dollars.

Newly designed service emblems were given to the members of the staff who have served from five to 20 years. Until recently only those employes who were with the company more than 20 years were awarded emblems. Twenty percent of the 750 home office employes have been with the company 25 years or more. One hundred forty-three are in the 15-20 year group. Three who have been with the company 50 years or longer were introduced.

The company has 135 in the armed services.

Life insurance came to this country about 150 years ago and its seed fell on fertile soil, Mr. Cox said. In life insurance the pioneers found an instrument that was the best expression of their ideas of independence. It can almost be said that the measure of the degree of independence of a nation is its acceptance of life insurance.

Accompanying the great growth of life insurance, a system of supervision by the states grew up and which has contributed to the growth. The record of financial stability of insurance companies is unparalleled and much credit is due to state supervision.

Mr. Cox said Union Central is the largest financial institution in Ohio.

American United Life—Paid-for life insurance in force stood at $315 million, a gain of $16 million. New life insurance paid for during 1944 was 17% in excess of the preceding year. Government bonds owned rose to $22½ million, an increase of $8,600,000.

Floor Change in Federal Bill Causes Puzzle

(CONTINUED FROM PAGE 1)

statutes apply only to state laws "heretofore" enacted, Ferguson, virtually admitting justification for some of the criticism against the section, offered his substitute amendment quoted above. Murdock thereupon withdrew his motion to strike the whole section.

Following further discussion Vice-president Truman put the question. After a voice vote, result of which he indicated was in doubt, the amendment went in on a division (standing) vote.

Votes on the other amendments and on final passage of the bill were viva voce—no roll-call. On passage, no "noes" were noted.

Administration senators claimed the Ferguson amendment brought section 2(b) into line with section 4. To some observers, however, it appeared that under 2(b) as passed the principles of the anti-trust laws would apply with relation to state laws and insurance, whereas section 4 provides for a moratorium from the anti-trust laws, except as to boycott, coercion, intimidation.

Calling Up Bill Is Surprise

It was a surprise in some quarters that the bill was called up, in view of Judiciary Chairman McCarran's statement that he did not expect the bill would be considered in the Senate during his absence.

It is assumed that pressure for early action was responsible for Ferguson bringing the bill up when he did, although it was definitely "eligible" for consideration on Thursday, in view of the state of the Senate calendar and legislative program.

Delay in action, it was feared in insurance circles, might prove embarrassing, in view of the fact that some state insurance taxes are payable in early February. However, with a unanimous report from the Senate committee, it had been hoped that the apparent assurance held out of legislation before too long, might tend to satisfy persons concerned about tax payments.

Meanwhile, personnel of the new Senate judiciary standing subcommittee on insurance was announced as follows: McCarran, Nevada; O'Mahoney, Wyoming; Chandler, Kentucky—Democrats; Ferguson, Michigan; Moore, Oklahoma—Republicans.

O'Mahoney believes creation of this subcommittee, at his instance, indicates realization and understanding on the part of the full judiciary committee that insurance presents a very important subject and problems for legislation.

Opportunity of Moratorium

Repeatedly during the discussion of the Senate bill reference was made to the opportunity afforded by the moratorium provision for Congress, as well as the states, to legislate on the subject of insurance.

It is understood that adoption of the floor amendment was the result, in part at least, of certain proposed state legislation. Senators' attention had been called to one bill in particular which they construed as an "invitation" to form or engage in monopoly and other practices. It was said that this bill would have been permissible under 2(b) as originally recommended.

SENATORS DROP HINT

Senators contrasted the state bill to which their attention had been called to the O'Mahoney and McCarran bills, which were described as an attempt in good faith to enable the industry, state legislatures and Congress to adjust matters during a moratorium period. Senators indicated the industry had better accept the Senate-passed bill.

In that connection attention was called to 4(b) of the O'Mahoney bill which specifically provided for Sherman act exemption after 1946, for rates, rating, agreements, methods, premiums, policy forms, underwriting rules and other joint or cooperative action under state laws after such agreements, etc., were approved by state authority. The McCarran-Ferguson bill contains no such provision. Some such provision, it is believed, might have operated against the state bill to which administration Senators objected, intimating lack of good faith.

Murdock Discovers "Joker"

Murdock is said to have discovered what he apparently considered the "joker" and called it to O'Mahoney's attention. O'Mahoney reached the same conclusion and joined in the attack on 2(b), forcing Ferguson to agree to its amendment.

Ferguson briefly reviewed the background of the legislation, the long record of the Supreme Court in holding insurance not commerce, the court decision in the S.E.U.A. case reversing that stand, the resulting confusion and other developments.

When McKellar, Tennessee, inquired whether the purpose of the bill is "to establish the law as it was supposed to be" before the S.E.U.A. decision, Ferguson replied that the bill would permit the anti-trust laws to apply against boycott, coercion, intimidation, while the moratorium provision would suspend other provisions of the anti-trust laws, so far as state regulation and taxation are concerned "until certain dates or until Congress may act in the meantime in respect to what Congress thinks should be done with the business of insurance."

Ferguson said he had just received word from Commissioner Harrington of advice from Commissioner Hodges of North Carolina that notice had been received from some insurance companies that they would not pay state taxes or would pay under protest.

"Under the law," he said, "it would be necessary to suspend the licenses of such companies and of all their agents. The insurance tax would have to be paid by Feb. 15. In South Carolina, Kentucky, and Tennessee the tax is due Feb. 1. So it is advisable that the bill be passed quickly, if it is possible to do so."

White, Maine, brought out that the bill had a unanimous report from committee, and McKellar that the bill is satisfactory to the commissioners and the insurance organizations. "The bill is a compromise measure; it is the best that could be agreed upon at this time," said Ferguson. McKellar declared himself in favor of it.

Murdock inquired whether the bill contemplated passage of state laws to permit agreements in violation of the Sherman act. Ferguson answered that until June 1, 1947, state laws could be enacted in conflict with the Sherman act, but not agreements to boycott, coerce or intimidate. "If in the meantime," he added, "Congress passed legislation contrary to the laws passed by state legislatures," he continued, "such state laws would be nullified because, under this bill, and subject to certain exceptions set forth in the bill, insurance is treated as interstate commerce."

Murdock called attention to that part of the committee report stating that the moratorium provision "does not repeal" the anti-trust laws. He contended that the bill "does provide for repeal of the Sherman act by the state legislatures by permitting them to enact laws which would allow agreements and contracts in violation and in derogation of the Sherman act."

Repealing the Sherman Act

Ferguson replied that the intent of the bill was to permit state legislation along the lines mentioned in the committee report, provided it did not violate section 4.

Quoting 2(b) that no federal law shall interfere with state laws for taxation and regulation of insurance, Murdock pointed out that section was applicable to present federal laws; also to federal laws that may hereafter be enacted. He contended that part of the bill "would allow repeal by state legislatures of the Sherman act so far as it relates to insurance unless the Congress should amend the Sherman act so as to provide specifically either the repeal, invalidation, or impairment of such a state law."

Ferguson said the bill would mean "temporary repeal" of the anti-trust laws during the moratorium period. When Murdock proposed to change "section" to "act" in 4(b), Ferguson agreed, "because I am of the opinion that that was the intention of all concerned." Murdock remarked that "it would improve the bill very materially."

O'MAHONEY'S REVIEW

O'Mahoney reviewed briefly the history of Supreme Court decisions, saying that until the S.E.U.A. and Polish National Alliance cases, the questions decided involved state laws, having been brought to the Supreme Court "because insurance companies had endeavored to escape state regulation." Bills introduced last Congress (Bailey-Walter) failed of passage. The Attorney General did not object to time for the industry to make adjustments, O'Mahoney pointed out. Reading from the committee report as to the purpose of the bill and, briefly, the Sherman act, O'Mahoney asked Ferguson:

"Does the Senator from Michigan conceive that the pending bill as reported by the judiciary committee, with the language which I have just read, has the effect of making it possible for a state to legalize contracts in restraint of trade or has the effect of making it possible for any state to authorize attempts on the part of any group of insurance companies to monopolize the business of insurance?"

Contradict the Bill

Ferguson replied that "if agreements in restraint of trade or to monopolize amounted either to a boycott and/or coercion and/or intimidation, they would be absolutely void because they would contradict the bill. . . . But certain agreements might be permitted in the states if they did not violate the terms of this bill."

"Does the Senator desire to tell the Senate that it is his purpose and the purpose of the pending bill," asked O'Mahoney, "to say to the state legislatures that laws may be enacted which will permit monopoly to be created in the insurance industry?"

Murdock interrupted at this point and Ferguson said he would yield to him "so that he may answer the question."

"I would rather have an answer from the Senator from Michigan," persisted O'Mahoney.

"I will answer it later, if the Senator please," said Ferguson.

Murdock, reading from the committee report, said that "opportunity is granted to the states by 2(b) to accomplish this very purpose"—repealing the anti-trust laws. "Certainly the Congress does not want to do that," Murdock continued. Agreements could be permitted by the states "which otherwise might be in violation" of the anti-trust laws, but which would not conflict with restrictions in 4(b) relative to boycott, etc.

Purpose of Bill

"Certainly the very purpose of this bill," Murdock insisted, "if 2(b) is not stricken, is to provide that state legislatures, if they so desire, may relieve insurance companies from contracts in restraint of trade which are prohibited by the Sherman act, so long as such contracts and agreements do not come within the inhibition of 4(b). . . . The report itself, in my opinion, answers the Senator from Wyoming."

"I will answer the question of the Senator from Wyoming in the same way the Senator from Utah has answered it," said Ferguson. "Just as he read, the bill provides that agreements or contracts may be permitted by state legislature within the moratorium period if they do not violate 4(b). As I read the bill proposed by the Senator from Wyoming, his measure would permit the same thing if the state acts specifically so provide."

O'Mahoney replied that his bill contained a section not in the committee bill, a section which would exempt from the anti-trust law "certain types of combinations and agreements, but certainly not such an agreement as would enable any state to be in the position of authorizing the establishment of monopoly."

Good Faith Attempt

"It was clearly with the understanding that the bill was a good-faith attempt not to get around the anti-trust laws, or the decision of the Supreme Court," he continued, "but to enable the insurance industry and the states to accommodate themselves to the decision and to the anti-trust laws, that the judiciary committee made a unanimous report.

"I am somewhat surprised, I am frank to say, that the Senator seems to have taken the position now that the intent is to enable any state which so desired to permit national organizations to monopolize the business of insurance."

"If any state should attempt to pass such legislation," said Ferguson, "Congress in the meantime could pass laws specifically providing that contracts made thereunder were void, or, if such an act was passed after the moratorium then it would be void."

O'Mahoney: "Does the Senator from Michigan desire that the bill, if it shall be passed by this body, shall be interpreted anywhere as an intention of Congress to permit monopoly to be established in the insurance industry?"

Ferguson: "No, by no means does the bill anticipate that any act would or should be passed which would create monopoly."

O'Mahoney: "Then, does the senator believe that the bill as it now stands permits that interpretation?"

Not to Foster Monopoly

Ferguson: "It would permit it. . . But it is not the purpose of the bill at all to foster monopoly, or to anticipate that any act would be passed permitting or even encouraging monopoly."

He went on to say that state laws relating to taxation, regulation, rate fixing, contract term fixing, in insurance "which might under some definitions of

New Orleans Managers Elect

The New Orleans Life Managers Association has elected these officers: President, George Liebkemann, Massachusetts Mutual; vice-president, J. R. Cook, Life of Virginia; secretary-treasurer, Burnett Quick, Life of Virginia.

monopoly be monopolistic, would be permitted under the pending bill; but if a state law undertook to authorize a boycott, a coercion, or an intimidation, or an agreement to do any one of those three things, then it would be clearly void because Congress would have already spoken, and once Congress speaks on interstate commerce, no state can speak contrary to the Congressional declaration."

The bill did not say what Ferguson indicated, Murdock declared, "the bill says that every act of Congress in existence now or which may be enacted in the future dealing with the question of insurance or the regulation of insurance shall not be construed—and that is pretty strong language—'to invalidate, impair, or supersede' . . ." state laws to regulate, tax or impose fees on insurance, unless the federal act specifically so provides.

So Murdock insisted, Congress would be saying to the states, "You can pass any law you desire with reference to insurance and the regulation thereof which does not involve agreements or acts of boycott, coercion, or intimidation, unless the Congress at some future time repeals or invalidates your state law. I wonder if the Congress wants to do that."

"The bill does not go as far as that," said Ferguson.

Assails Judiciary Committee

Murdock said the judiciary committee did not do what he had hoped it would do, namely call states' attention to the Supreme Court decision and invite them, during a a limited period, to adjust state laws to harmonize with the decision. Instead, the bill would "invite the respective state legislatures to pass acts which would permit agreements which would otherwise be in violation of the Sherman act."

Undertaking an explanation of section 2, Ferguson said Congress did not want "at the present time to take upon itself the responsibility of interfering with the taxation of insurance or the regulation of insurance by the states."

Murdock said if the Senate would adopt his amendments it would do what the committee had in mind, but he did not believe "that any Senator wants to invite any state legislature to step into the insurance field and permit contracts and agreements in restraint of trade or contracts and agreements which would evade the monopoly provisions of the Sherman act."

McKellar said Murdock's was "a very proper amendment." Ferguson thereupon accepted the amendment, conditionally.

Radcliffe, Maryland, spoke briefly opposing the amendment but supporting the bill. With a long insurance background and experience, he said:

"I do not believe anyone who does not come very closely in contact with the insurance business can realize that the decision by the Supreme Court to which reference has been made is one of the most far-reaching ever rendered by that court. It means that an enormous business which, with the unqualified approval of the federal government, has operated for many years in a certain way, must now meet the new and fundamental conditions involved necessarily in any passage from state to federal regulation. That does not involve merely one but a thousand-and-one different problems to be handled, many of them around the first of the calendar year."

Radcliffe to Roosevelt

Radcliffe disclosed that on June 6, last, the day after the S.E.U.A. decision was announced, he wrote President Roosevelt "and asked for a moratorium," and the President replied. The Senator wrote the President again Dec. 20. His letter and the President's reply, as given out at the White House, were inserted in the Congressional Record at the Senator's request.

Commenting upon the Murdock-O'Mahoney suggestion, Radcliffe said:

"Of course, no one knows what legislation any state might try to pass. It might try to pass any sort of legislation, but it is extremely unlikely that any state, knowing that at the end of several years the moratorium provided for in this bill will come to an end, would try to run amok and pass any such law as the Senator from Utah suggests.

"In 4(b) there are several purposes contemplated. The insurance commissioners and many of the insurance companies have been in very great doubt as to how they could operate at this time with respect to matters of collection of premiums, general regulations, the issuing of licenses, and many other aspects of the business. Therefore, it seems very desirable that somewhere in this measure there should be a statement that the right of the states to regulate and to collect taxes should not be terminated or should not be repealed by implication.

Repeal by Implication

"Otherwise, I think the states may find themselves from time to time in a very serious situation to try to function. Unless it is clearly stated somewhere that there is not a repeal by implication, such omission is likely to throw restraint upon or put serious hindrance in the way of the states functioning properly. In giving a moratorium to a business and to state governments harassed greatly by the effect of the decision of the Supreme Court, let us not do so begrudgingly or in a halfway fashion which might prove to be gravely insufficient to meet situations which we cannot today foresee."

Answering Radcliffe, Ferguson pointed out that the bill provides generally that the insurance business shall be subject to state regulation and taxation. Murdock agreed.

Radcliffe admitted that 2(a) is definite along that line, but added: "Since there seems to be doubt in the minds of certain people that there might be repeal by implication or that a general statement might have some crimping effect, it would not be at all unusual if a saving clause were put in the bill. It may not be necessary, but in a spirit of caution I think it might be desirable, especially knowing the very serious problems which have been confronting the insurance companies and the various states to leave them free to meet conditions some of which cannot now be foreseen.

"We want the companies to understand clearly and we desire the states to realize definitely that the states can go ahead and issue permits, collect taxes, and do the various other things which are necessary to be done. For that reason I think that full and unmistakable emphasis upon that right is essential. It is unnecessary and unwise to create any doubt as to the right of the states to go ahead and function freely in handling insurance."

Nullify the Purposes

Opposing the Murdock amendment to strike out 2(b), Ferguson said it would nullify the purposes of the bill. He added it would be physically impossible to examine in a short time all the state insurance laws. He agreed with O'Mahoney that 2(a) would protect state interests, so far as existing law is concerned, but said that 2(b) provides that no federal law shall by implication repeal state law.

That put the finger "upon the precise center of this dispute, or misunderstanding," said O'Mahoney. Members of the judiciary committee opposed to complete blanket exemption of insurance from anti-trust laws," he said, "desired to go as far as humanly possible in the direction of giving the states a clear-cut opportunity to adjust state laws in accordance with Supreme Court decisions and the anti-trust laws."

Both the O'Mahoney-Hatch bill and S.340, he added, are modifications of the "measure which was originally drafted by the legislative committee of the National Association of Insurance Commissioners. So there was an effort to work with those groups." A "good-faith attempt" was made to spell out every law that applied or might apply to insurance, and the bills provide for exemption of insurance therefrom.

Section 2(b) in his bill, O'Mahoney said, was not intended as providing for additional exemption from anti-trust laws, but as a "catch-all" to cover other federal laws which might affect the insurance industry. Urging elimination of 2(b) from the committee bill, O'Mahoney contended "would not in any way, shape, or form prevent carrying out the understanding which was had with the insurance commissioners."

Interlocking Directorates

He said the bill granted a moratorium for a much longer period than suggested by the Attorney General, which was acceptable to some companies and some Senators. "It grants a moratorium from those provisions of the Clayton act which have to do with interlocking directorates.

"No one is more ready than I to acknowledge that the insurance industry is a very complex industry, and that opportunity ought to be extended for necessary adjustments," O'Mahoney continued. "However, the charges which have been made have been made not by the government but by persons engaged in the insurance industry; not by any member of Congress but by policyholders and agents and those who have been affected by the insurance industry. It has been charged that improper attempts have been made to monopolize this business. As I understand, it is not the purpose of the Senate to grant opportunity for such monopoly."

Supporting 2(b) as written, Senator Bushfield said the "whole crux" is in the word "construed," the intention of the committee being to prevent courts from construing the bill or state laws adversely and throwing the insurance business into confusion.

Ferguson told the Senate the industry is in "absolute chaos" and the purpose of the bill is to "dissipate that chaos." If 2(b) were eliminated, he added, "we shall accomplish nothing by enacting the bill; because the insurance companies will still be unable to decide what they can or cannot do, and for that reason they will abide by the provisions of the state laws, and the present chaos will continue."

Getting Along for Time Being

The bill, he told the Senate, was submitted through the commissioners to various insurance companies—fire, life, marine, casualty. The agreement was reached under which, he said, "the insurance companies believed they could work, for the time being."

"It was the opinion of the insurance commissioners and the insurance companies," said Ferguson, "that it would be impossible to change the interlock-

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ing directorate laws of the state unless a considerable period of time were allowed."

Under the moratorium provision, he continued, the anti-trust laws will apply to insurance, after the end of those periods, without reenactment by Congress.

Ferguson opposed Taft's suggestion to make the provision that federal laws should not supersede state insurance laws apply only to laws heretofore enacted, because he said state legislatures would be unable to pass any laws that would violate the subsection, in endeavoring to "put their houses in order." Taft replied he wished to preserve Ohio insurance laws.

At the present time, said Ferguson, "every State rate-fixing authority violates the Sherman act or the Clayton act, or both. There are many state laws which violate the Sherman act and the Clayton act. It is our purpose to permit those laws to continue in force and effect until at least 1947 and 1948."

"Yes," said Taft, "but this 2(b) will not cease to be effective in 1947 or 1948; it will go on forever." He added it was difficult to understand "how it is possible to provide that an act of Congress shall be construed one way for two years and another way thereafter."

Attitude of Commissioners

Ferguson then suggested the time limit Jan. 1, 1948, might be inserted in 2(b). He said two officers of the N.A.I.C. legislative committee had advised him the state commissioners wanted the bill passed as it came from committee.

Radcliffe referred to efforts by the Department of Justice, persons connected with the industry and "by insurance departments" to draft legislation to comply with the S.E.U.A. decision, but it was realized the job could not be done quickly. Hence the moratorium. Radcliffe warned that "it is gravely dangerous to assume that there are no hidden restrictions which may arise to plague and harass us" as to federal statutes. Because of the language of the bill he said, "difficulties might arise and seriously interfere with the work of transition from state to federal regulation, which is one of the most far-reaching moves with which any industry in this country has ever been confronted."

He urged that language be inserted in the bill to "protect us from such a danger" and said the commissioners "also believe such precautionary provisions should be inserted. Many persons who have studied the matter very carefully feel that obstacles may arise which cannot now be foreseen and provided against, and therefore, that the bill we pass should be very clear and clean-cut."

Finds Ambiguity in Bill

Taft said there was "ambiguity" in the bill. If no more legislation were enacted and in 1948 the question arose whether the Sherman act invalidates any state law under the terms of the bill, he said, 4(a) implies that act shall again come in force after the moratorium period, but 2(b) (unamended) implied that even after 1948 the Sherman act shall not invalidate state law.

Murdock observed that the Ferguson suggestion would be acceptable and he would withdraw his motion to strike the section. Revercomb, West Virginia, however, opposed the 1948 limitation on 2(b), declaring that Congress wants the states to retain control of insurance. At the same time, he said, the bill would save the power of Congress to legislate, if it decided to.

Taft replied that if the moratorium provision is left in the bill, it and 2(b) would be inconsistent, "because if the Sherman act applies to the business of insurance, any state law which authorizes a rating bureau becomes invalid, or those engaged in the business are subject to federal prosecution for complying with state law."

Replying to Murdock, Revercomb denied the proposed repeal of the anti-trust laws but the bill proposed the state could regulate insurance, but not violate those laws after the moratorium. Murdock contended 2(b) covered the anti-trust acts because they do not specifically repeal, impair, or invalidate state laws.

Ferguson then withdrew his Jan. 1, 1948, proposed time limit to 2(b) and substituted the language quoted above specifically excepting from provisions of the section, the anti-trust laws.

Murdock Accepts Change

Murdock accepted the change, but Taft made the point that "it implies that the measure may invalidate fees or taxes"; that although the anti-trust laws during the moratorium period would not apply to insurance, yet they might possibly invalidate a state law. He said "the insurance companies which are doubting the validity of the taxes imposed upon them will not be greatly soothed by 2(b) as proposed to be amended by the Senator, because it excepts the two laws. I think we will then have to look to section 4."

Ferguson, however, pointed out the bill provided the anti-trust laws would not apply during the moratorium. Ellender, Louisiana, said there is conflict between the two sections and the Ferguson amendment would "nullify the first purpose of the bill." Although suspended by section 4, he said, the anti-trust acts under the Ferguson amendment "shall be construed to invalidate, impair, or supersede any law enacted by a state for the purpose of regulating the business of insurance or which imposes a fee or tax upon such business."

Many insurance companies refuse to pay licenses and taxes in many states, said Ellender, because of the Supreme Court decision, and now to except the anti-trust acts, upon which the decision was based, "is bound to lead to much confusion." Ellender backed the bill as reported.

Taft Called "Oversecure"

O'Mahoney said the Ferguson amendment would clear up the situation and that Taft was "endeavoring to be oversecure" in the point covered by the amendment. Taft did not offer a formal amendment, but suggested that at the end of 2(b) language be added that no act of Congress shall apply to the insurance business and shall not invalidate, impair, or supersede any state law regulating the business. He offered no amendment, he said, "until there is some general agreement as to what we are trying to accomplish." O'Mahoney said the two sections, with the Ferguson amendment, were in "complete harmony."

REVERCOMB OBJECTS

Revercomb, however, objected to "shot-from-the-hip amendments" on the floor to the bill, which he said, had been carefully worked out in committee. Radcliffe wanted to know if the Ferguson amendment was not "equivalent to stating that the Sherman act and the Clayton act shall supersede state laws."

"Except that in section 4 it is provided that those two acts shall not apply to insurance," replied Ferguson.

"First it is provided that they shall invalidate state laws," remarked Radcliffe. "Then later it is said there shall be a moratorium. That is not the most felicitous way of stating it. If it can be construed that section 4 clearly modifies 2(b), we are safe; but it seems to me that is running a rather unnecessary risk, because 2(b) clearly states that those two acts shall invalidate state laws."

At this point Wherry, Nebraska, voiced a brief protest against floor amendments, and supported the bill as reported.

Statement by O'Mahoney

The debate was concluded by a brief statement by O'Mahoney supporting the Ferguson amendment. The problem is not without difficulties, he said, but he was satisfied that his and Ferguson's purpose were identical, namely, to enable the states and Congress to have time to "adjust a very complicated business to the court decision and the anti-trust laws."

"There is no purpose," he declared, "to issue an invitation from the Senate to the states to enact laws which would establish monopolies in this business. The moratorium as proposed in the bill, and as now proposed by the senator from Michigan in his amendment, covers the entire field, and does it in such a way that there can be no misunderstanding.

"We are extending to the states complete immunity for their state tax laws, and, as stated in section 4, we are granting a moratorium for the purpose of enabling adjustments to be made and legislation to be adopted by the several states and Congress. I believe the issue is quite clear. The purpose would be attained by the language of the bill together with the amendment of the senator from Michigan."

Putting the question on the amendment, the Vice-President said he was in doubt. Wherry then demanded a division, or standing vote, on which the amendment prevailed. The bill as amended was then voted engrossed, read the third time and passed.

The language of 2(b) had never been disputed by anybody before it was attacked in the Senate.

The amended 2(b), as interpreted by some industry representatives here, affirmatively applies the anti-trust laws with relation to state insurance laws, subject only to the temporary moratorium provision. In other words, those laws will definitely apply, as the bill stands now, after expiration of the moratorium, without further action by Congress.

Prompt action on S.340 at the House end of the Capital appeared to be foreshadowed by the comment from Rep. Sumners, Texas, judiciary committee chairman, that he understands the measure is "generally satisfactory to the industry"; that he would suggest it to his committee for consideration as "emergency legislation."

The House judiciary committee at its first meeting Tuesday, decided to refer S.340 and other insurance bills to subcommittee. Later Chairman Sumners assigned that subject to standing subcommittee No. 3, headed by Representative Walter.

Sumners said he would ask Celler and Hancock, New York, to sit with subcommittee 3 when it considers insurance legislation.

Walter said Wednesday he "imagined" S.340 will be amended in two important respects. One concerns lengthening the period of the moratorium. "I see no reason for any difference in the length of the moratorium period, with relation to the two anti-trust laws," he said.

The other change Walter has in mind, he indicated, concerns the Senate floor amendment.

"That amendment," declared Walter, "nullifies the whole thing," referring to the general purpose to grant limited anti-trust exemption.

Walter stated there has been no demand for further hearings on the bill, and he does "not expect hearings will be necessary."

"I think it important to do something quickly," he said.

Postal L. & C. Agents Meet

Postal Life & Casualty held a two-day sales meeting of agents at the home office in Kansas City. Mayor Gage spoke at the banquet, which closed the meeting.

Canadian in Force over 9 Billion

TORONTO—Insurance Superintendent Finlayson estimates that life insurance in force in Canada advanced some $650,000,000 to $9,250,000,000 in 1944.

Civilian mortality in Canada has been somewhat lower, which, in part, is offsetting the mortality strain caused by war deaths. There was an increase in claims but Mr. Finlayson does not think this will show too great an increase over 1943.

Canadian Companies Ask Annuity Tax Revision to Eliminate Double Taxation

TORONTO—Canadian life companies have appealed to the royal commission studying the income tax situation asking that taxes upon annuities be eased. The brief was presented by M. J. Smith, president of Canadian Life Officers Association. It is held that the existing levy on annuities and pensions is a form of double taxation.

The companies contend that when a person buys an annuity or other form of pension he can claim exemption only up to $300 a year in his income tax returns. On anything more than $300 he not only pays income when he earns the money, but also when he gets it back later on in the form of an annuity or pension. The brief proposed that life annuities be taxed only on that portion which represents interest and the portion which represents savings put into the plan should be tax free. This would be similar to the plan followed by the revenue department in the case of term annuities. If an annuity is for a definite term, only the part regarded as interest is taxable.

"Satevepost" Tells of Therapeutic Effect of Insurance Selling on Veteran

The "Saturday Evening Post" this week carries an arresting story about Theodore S. Jones of Lakemills, Wis., who lost both arms and a foot on Guadalcanal while serving with the marines and who since last April has been with New York Life and will sell about $100,000 his first year. The article tells how Walter C. Weissinger, agency director of New York Life, brought him into the business and how his insurance activity has caused him to lose the restlessness that beset him when he tried to resume civilian life at Lake Mills.

New Ky. G. I. Loan Opinion

Attorney General Dummit of Kentucky, who Dec. 20 ruled that domestic life companies may not invest in G. I. loans, in an extension of that opinion finds that loans made under section 505 of the bill do qualify for such investment.

Section 505 provides that in any case wherein a principal loan is approved by a federal agency to be made or guaranteed or insured by it and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the administrator, subject otherwise to the provisions of this title, including the limitation of $2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan.

Inasmuch as the faith and credit of the United States are placed in the guarantee of the payment of 100% of the loans made pursuant to section 505 the domestic life companies may invest their funds in the loans made pursuant thereto, Dummit holds.

Commonwealth Industrial Parley

Twenty-eight managers of the industrial agency department of Commonwealth Life, gathered at Louisville for a full week's conference under the direction of Director of Agencies W. Almon Lonsford.

The managers were introduced to the new recruiting manual, "The Story of the Commonwealth Career." Also introduced was the new primary training course, "An Introduction to Your Commonwealth Career."

Guest speaker the first day was Colgan Norman, Penn Mutual Life, Louisville, who demonstrated his retirement income sales talk.

President Morton Boyd opened the conference by discussing the 1944 operations.

Make Further Premium Tax Study

(CONTINUED FROM PAGE 3)

transactions of domestic corporations. In Adams Maufacturing Co. v. Storen, 304 U. S. 307 (1938), the court held that "the exaction is of such character that if lawful it may in substance be laid to the fullest extent by states in which the goods are sold as well as those in which they are manufactured," and that "interstate commerce would thus be subjected to the risk of a double tax burden to which intrastate commerce is not exposed and which the commerce clause forbids." In Gwin, White & Prince, Inc., v. Henneford, 305 U. S. 434 (1939), the court held that other states might "with equal right lay a tax similarly measured for the privilege of conducting within their respective territorial limits the activities there which contribute to the service," and that the tax therefore discriminated against interstate commerce because it imposed on it "the risk of a multiple burden to which local commerce is not exposed."

Status Not Clear

While the foregoing may seem to indicate pretty clearly what the court's probable decision would be, Professors Dowling and Patterson point out that subsequent decisions of the court make the present standing and scope of the multiple burden doctrine difficult to determine, though they believe it is still something to be reckoned with. In Northwest Airlines, Inc., v. Minnesota, 64 Sup. Ct. 950, 957 (1944), the court upheld a Minnesota property tax on airplanes having their "home port" in Minnesota although the Chief Justice and three of his colleagues dissented on the ground that it violated the multiple burden doctrine. Also Justice Jackson, though concurring in the decision of the majority, did not concur in the opinion, which was written by Justice Frankfurter, "because it falls short of a commitment that Minnesota's right is exclusive of any similar right elsewhere."

For domestic insurers, the professors believe that the multiple burden doctrine creates serious doubt as to the validity of a state tax based on the total gross premium income of domestic insurance companies, including their total premium income from interstate transactions. Where the statute taxing all gross premium receipts of domestic companies excepts those derived from insurance on the residents of other states or countries to which the company "actually pays" or "has paid or is liable to pay" a similar tax, the statutory exception seems sufficient to exclude the risk of being a multiple burden. The memorandum cites Henneford v. Silas Mason Co., 300 U. S. 577 (1937); and General Trading Co. v. State Tax Commission, 64 Sup. Ct. 1028, 1029 (1944).

Foreign Insurers

As to foreign insurance companies, the applicability of the multiple burden doctrine to any existing legislation is doubtful. So far as Professors Dowling and Patterson could discover no statute purports to tax a foreign company on the basis of its total gross premium income from all sources. If the state laws taxing foreign companies are assumed to have the maximum range of operation consistent with their language it might be found that under some combinations of circumstances the same life insurance premium could be taxed by two or more states. In many states the basis of allocation is the residence of the "risk," while in others the test is "business done" in the state or "policies . . . written in this state" or "business written" in this state. In several states the tax applies ostensibly to all premiums "received" in the state. Receipts of residents is the statutory basis of allocation in several other states.

Under a possible combination of circumstances the premium of a single life insurance transaction could be taxed by four different taxing statutes: by the state in which the application was taken by a soliciting agent (as "business done"); by the state of residence of the premium-payer (as premium "received from residents"); by the state of residence of the insured (on the basis of location or "risk"); and by the state in which the premium was received by the general agent (as premium "received in this state"). Even under a more likely combination of circumstances, at least two states would by a literal application of their statutes purport to tax the same premium. If so applied the premium tax law of each of these two states would in a sense expose interstate transactions to the risk of tax burden from which intrastate transactions, completed wholly within the state, are free.

Answer Held Doubtful

While the answer to the question thus raised is somewhat doubtful, according to the memorandum, the multiple burden doctrine would probably not be applied by the court to invalidate any of these premium taxes on foreign companies for three reasons. First, a foreign company under such circumstances would not be able to show that either state discriminates against interstate commerce if each state bases and measures its tax on a taxable event or other fact which is within its jurisdiction. (See McGoldrick v. Berwind-White Coal Mining Co., 309 U. S. 33, 43-44 [1940], distinguishing Adams Manufacturing Co. v. Storen, supra). Then, unless the court by a combination of the interstate commerce clause and the due process clause prescribes that only one state properly has jurisdiction to tax an interstate transaction each state law taxing the premium receipts of foreign companies may stand on its own jurisdiction under the "due process" clause.

Second, all or nearly all of these state premium taxes on foreign insurance companies are apportioned so that the tax is imposed only on that portion of the foreign company's premium income which is in some way attributable to, or properly within the taxing jurisdiction of, the taxing state. The ones most doubtful in this respect are those which are imposed simply on "receipts" in this state, a term broad enough to include premiums on policies issued and delivered in other states covering residents of other states and remitted by premium-payers across state lines to a branch office or agency of a foreign company in the taxing state in question. Were it not for the administrative interpretation given these statutes they might possibly be open to attack under the multiple burden doctrine. Other statutes seem to be fairly and equitably apportioned to the activities carried on within the state.

Practical Effect

Third, as actually administered the state laws taxing foreign company premiums is such that virtually no multiple taxation results. The basic test applied by most companies in allocating premiums for tax purposes is the state to which premium notices are sent, which is ordinarily the residence of the premium-payer. Thus each company so allocates its premium income as to avoid double taxation and state officials recognize this as the proper procedure. Therefore, even though a statute might appear to create a possible risk of multiple taxation it would not be invalidated if it could be shown that in its practical operation this did not result.

As to conditional reductions in tax rates there are two types of statutes which allow specified reductions in the tax rate for compliance with prescribed conditions as to investments. One type ostensibly treats foreign and domestic companies alike but may specify conditions which might be impossible or impracticable for any but a domestic company to meet. The other type is on its face discriminatory against foreign companies and investigation is necessary to see whether there are other circumstances which equalize the tax burden between foreign and domestic insurers.

Colorado has a statute of the first type. It imposes a premium tax of 2% on foreign and domestic companies alike but if a company has 50% or more of its assets invested in certain state or municipal securities or in property within the state it is relieved of the tax altogether. Some states graduate the reduction in rates according to specified percentages of local investments. The professors believe that since this class of statutes has the appearance of equality of treatment as between foreign and domestic companies it would probably be held not to discriminate unless and until a discriminatory effect is proved.

Example of Second Type

The second type of statute, of which Washington's is an example, imposes a higher premium tax on foreign companies but provides that the rate shall be the same as for domestic companies if the foreign company invests 50% or more of its assets in securities of, or property within, the states. Since this type of law is obviously aimed at discrimination, Professors Dowling and Patterson believe it would probably be held invalid unless it could be shown that the statutory scheme as a whole substantially equalizes the burdens of domestic and foreign corporations.

The courts, looking through form to substance, will be concerned with whether the general result of either type of law is a substantial advantage to domestic over foreign corporations and if that is the case a court will do its best to bring foreign and domestic companies into substantial equality. The least likely way of doing this is by declaring the entire tax provision invalid. The more likely methods are either by invalidating special provisions giving rise to the local advantage or by so broadening that provision as to include the companies that would otherwise be discriminated against.

As to privilege taxes, if they stood alone and were not associated with others to which objection could be made, the professors would expect the courts, looking through forms and labels to the substantial economic effects, to consider the tax as being on some event or basis other than the privilege of doing interstate business and hence would sustain it. However, in many states these taxes are but a part of a general taxing scheme under which a discriminatory rate is laid on foreign companies.

Retaliatory provisions raise special problems under the commerce clause of the constitution. The memorandum concludes that a retaliatory provision which, as applied to a foreign company, operates to impose or to increase a tax burden substantially greater than the comparable burden imposed by the same state on its domestic companies would probably be held invalid. Professors Dowling and Patterson cite cases to show that a means which produces substantial discrimination against interstate commerce is not a legitimate means by which a state can seek to induce favorable treatment of its business enterprises by other states. The cases are Fitger Co. v. Kremer, 199 Wis. 338, 226 N. W. 310 (1929) and Travis v. Yale & Towne Manufacturing Co., 252 U. S. 60, 82 (1920). Even if the retaliatory provision were such that a discriminatory burden on interstate commerce would be removed if the other state were to reciprocate it is not validated thereby.

Shows Most Women Must Pay Own Way Some Time in Lives

Considerable interest has been taken by life insurance people in an editorial in the Jan. 1 edition of "Advertising Age," entitled "Women's Future in Business." The editorial quotes figures indicating that 68% of all women must expect some time during their lives to be self supporting or have income from sources other than their husbands. "Advertising Age" explains that it was not able to reveal the source of these figures other than to say it is a prominent consumer research organization, which had not checked the statistics sufficiently to be willing to be known as the source. However, it is believed that the statistics are reasonably accurate.

According to this analysis 8% of all women never marry. Of the 92% that do marry, 62% are widowed. Of those who are widowed 8% are remarried and three-fourths of those are rewidowed. Only 26% are never widowed and thus 68% are either unmarried or widowed for part of their lives.

"Advertising Age" editorializes that women who have entered business and made a success of it have good reason for staying on the job, looking at their prospects from the coldly statistical viewpoint. Even more important young women who are holding down positions only while they are waiting to get married might take their work more seriously and make a greater effort to accomplish more if they realize that training, experience and ability represent an asset which they probably will have to call upon later in life.

The figures are likewise significant, according to "Advertising Age," as to the larger place which women will occupy in business in the future, not only because they are needed but because the great majority require the gainful occupations of business.

Ill. Department Men Confer

George Baldwin of Equitable Society has been proposed by the nominating committee of the Group Supervisors Division of Chicago as chairman to succeed V. J. Barnett, Aetna Life. The election will be held at a luncheon meeting Feb. 5 at which Insurance Director N. P. Parkinson of Illinois and J. W. Ross, policy examiner of the department, will confer informally on group matters.

EDITORIAL COMMENT

Comfort in Federal Legislation

The insurance bill that has passed the United States Senate and seems to be destined to get House approval and Presidential signature seems to afford a comfortable enough answer to many of the questions affecting immediate procedure that have been projected by the S.E.U.A. decision. It is fortunate, we think, that the Senate engaged in such prolonged debate regarding the floor amendment that was finally adopted, because that served to give the Senators an insight into the complexity of the problems with which constitutional lawyers, insurance commissioners, insurance executives and insurance organization leaders have been struggling for the past six months.

Any senator who may have been inclined to over simplify the problem, undoubtedly revised his opinion when he listened to the debate much of which consisted of an attempt to clarify abstruse considerations. The more Congress comes to understand the complexities of the task of reconciling legitimate and necessary insurance operations and state regulation and taxation to implications of the S.E.U.A. decision, the more enlightened will be the legislation. The intricacies of the situation belie the former protestations of Attorney General Biddle that all he was trying to do was to get after the bad men and that his course of action didn't put the structure of insurance operations and regulation in jeopardy.

The McCarran-Ferguson bill will probably take care of some immediate problems. The general declaration, intended to place state regulation and taxation beyond successful challenge, will probably serve to keep the state system intact and put a damper at least on lighthearted litigation attacking this or that state requirement. Of course some day the issue may be presented that this declaration constitutes an unauthorized delegation of congressional power under the commerce clause. But with that declaration enacted, certainly no officer or stockholder of an insurance company could ever be held to account for complying with a state regulatory law. When it comes to taxation, supported by this declaration, certainly no company can fear to pay a non-discriminatory state tax. However, it seems certain that the discriminatory type of levy in which a domestic insurer is exempt from tax that is applicable to a foreign company, will have to be litigated. Perhaps the Lincoln National Life case involving the Oklahoma tax statute which is now before the Supreme Court, will give a definitive answer. Incidentally it is a strange turn of events to see insurance companies lining up to protect state premium taxes after having for so many years expressed objection to the fact that of these taxes, which were supposedly originally designed to support the state insurance department, only 5% or less is appropriated for the cost of state supervision.

With the exception of this question about discriminatory premium taxes, the insurance industry and the states can for the time being go their way as always.

The specific exemption of insurance from the federal trade commission act puts at rest any fear that the FTC might spring forth with investigations of insurance practices and the issuance of cease and desist orders to create a crazy quilt of divided and conflicting authority. It would, of course, be insupportable to have FTC mixing with the states in regulation but we for one wouldn't mind seeing FTC given a free hand for a month or two to put a scare into the gentry who are on the fringe of the accident and health and hospitalization business and are making such a killing with low loss ratio policies.

The specific exemption from the Robinson-Patman act that prohibits a seller from paying brokerage to a representative of the buyer disposes of what might conceivably have been a troublesome problem for insurance even though the Robinson-Patman act is concerned exclusively with "commodities."

The McCarran-Ferguson treatment of the exemption from the anti-trust statutes strikes us as at least comfortable.

No one has been holding out lately even during a moratorium for complete exemption from the anti-trust laws that would countenance coercion, boycott or intimidation. The fire company associations have abandoned separation and non-intercourse. The National Bureau of Casualty & Surety Underwriters removed from its constitution certain provisions forbidding reinsurance of non-members, etc. The life insurance companies are giving very serious consideration to their agency practices agreement. Some of the local associations of fire and casualty insurance agents have amended their rules to remove the so-called in-or-out feature and there are certainly no conspicuous practices in the insurance business today that could be attacked as constituting intimidation, coercion or boycott.

The McCarran-Ferguson bill gives exemption from the Sherman act in other respects until June 1, 1947. That we are glad to see. The O'Mahoney bill with its moratorium only until 1946, and with its inclusion of tolerable insurance standards after that date would have served notice on the 40 or so state legislatures now in session immediately to enact rating and other laws to conform to the O'Mahoney pattern. That would have caused a stampede. Ill considered legislation would have been passed in a hurry and the insurance companies might very well have been faced with such an appalling new variety of state requirements that they would have cried "Uncle" and gone to Capitol Hill with a request for a federal bureau of insurance. Even as it is, important legislation is being thrown into many a legislative hopper today.

The legislatures that meet biennially and are in session this year will be able to enact whatever legislation is necessary in 1947 and by that time let us hope the sign posts will be clearer. At the same time putting the deadline at June 1, 1947, should serve to keep the insurance issue out of the campaign that year. Objection was taken by foes of the Jan. 1, 1948, deadline as contained in the original industry-commissioners compromise bill, on the ground that it would be an invitation to do nothing and to wait for a new administration to come in and then to ask for a further moratorium.

A lot of thought will have to be given to setting up the standards that shall govern after the moratorium runs out. But sufficient time is now provided to fashion such standards in a composed, informed and unimpassioned way.

As to the Clayton act, there is a moratorium granted until Jan. 1, 1948. That act seems to pose immensely important problems especially for fire and casualty companies operating on the group or fleet basis, since it prohibits interlocking directorates of corporations in the same field. Other than recognizing that here is an extremely critical problem that some day before long will have to be intensively studied, the industry groups and the commissioners have given little attention to the Clayton act. On the surface it would seem to be a very discriminating task to frame an amendment to the Clayton act that would set up an exception to permit continuation of time honored fleet operation.

All in all we would say that if the McCarran-Ferguson bill is enacted it will afford as satisfactory relief as was possible at this stage.

PERSONAL SIDE OF THE BUSINESS

L. Edmund Zacher, president of Travelers, will serve again in 1945 as chairman of the advisory council of the Greater Hartford Red Cross War Fund. Other members of the council include Morgan B. Brainard, Arthur M. Collens, Peter M. Fraser, James Lee Loomis and Frazar B. Wilde.

J. E. McCann, manager of the St. Clair branch of the Metropolitan Life in Detroit and vice-president and program chairman of the Detroit Life Underwriters Association, is convalescing following a major operation.

L. E. Malone, manager of Sun Life in Detroit and past president of the Detroit Life Underwriters Association, has been confined to his home for three weeks with pneumonia.

J. E. Crampton, Connecticut Mutual, Detroit, has devoted much time the past three years to acquainting men in service with their rights under National Service Life Insurance. He has made addresses in a number of camps throughout the country and recently concluded a series of eight addresses to the personnel of Selfridge Field, Mich.

Sidney Rice, Indiana manager of Fidelity Mutual Life, made the Million Dollar Club in 1944. For 578 continuous weeks he has written at least one policy every week. He led Fidelity Mutual's producers in December and was second for the entire year. His average policy was about $7,000.

An oil painting of President **Julian Price** of Jefferson Standard Life was presented to the company at the annual stockholders meeting by the field force, home and branch office employes. It was presented by E. F. Andrews, leading agent for the year. In 1944 Mr. Price completed 25 years as president. The portrait was accepted for the company by A. G. Myers of Gastonia, N. C.

H. B. Palmer, Flint, Mich., general agent of Mutual Benefit Life and past president of the U. S. Junior Chamber of Commerce, was the principal speaker at the distinguished service award banquet of the Detroit Junior Chamber.

Nathan T. Bascomb, assistant treasurer of State Mutual Life, slipped and fell while crossing a street intersection in Chicago and suffered a shoulder dislocation and fracture. He was taken care of at Wesley Memorial Hospital there and after a few days of confinement completed the inspection of properties in which State Mutual is interested in Chicago before returning to Worcester.

Earl E. Cooper, assistant agency vice president of Equitable Life of Iowa, is in Newark for an indefinite stay, making his headquarters in the company's Newark agency.

H. G. Swanson, general agent of New England Mutual in Chicago, was host to his fulltime agency staff, their wives and office employes at his country estate, Glen Crest Acres, in Glen Ellyn, Ill. The entire party was convoyed there in a private car on the electric railroad. There was smorgasbord, turkey, and a punch bowl presided over by Mrs. Swanson. After dinner the 55 guests seated themselves about a fireplace. Mr. Swanson is a horse and dog lover. He has a quarter mile track behind his

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home on which he exercises his saddle horse. He also goes in for fine bird dogs, a number of which have done very well in field trials.

M. J. Cleary, president of Northwestern Mutual Life, has been elected chairman of the executive committee of the Milwaukee United Community & War Fund.

Chester O. Fischer, vice-president of Massachusetts Mutual Life, was presented a highly decorated "tom-tom" drum by Robert Heffner, mayor of Oklahoma City, at a luncheon in connection with the Oklahoma agency's annual meeting, at which Mr. Fischer was a speaker. The honor was conferred on behalf of the Chamber of Commerce in recognition of Mr. Fischer's position as a director of the U. S. Chamber of Commerce. The drum bore the signature of the mayor and the president of the Oklahoma City chamber, and was passed around to receive signatures of all those in attendance.

W. Ellis Stewart, secretary of Supreme Liberty Life, was feted at a luncheon in his honor in Chicago. President T. K. Gibson presided and numerous speakers praised the honor guest. Mr. Stewart majored in insurance at the University of Indiana and then started with Liberty Life which was then being formed. He continued with the organization during its merger to become Supreme Liberty. He was secretary for many years of the National Negro Insurance Association and is now president of the Chicago Negro Insurance Association. He is a director of the Chicago Recreation Commission, a trustee of the Chicago Plan Commission, former chairman of the Wabash Avenue Y.M.C.A., chairman of the national housing commission of Kappa Alpha Psi fraternity.

Roy Gregory, Life of Virginia manager at Belton, S. C., has been elected mayor there.

Harry J. Walsh, manager San Francisco brokerage department West Coast Life, is in the hospital with two fractures in his right ankle. He slipped as he was stepping on to a wet curb stone near his office.

C. D. DeBarry, agent of Equitable Society in the Woody agency, Chicago, and former general agent in Chicago of Lincoln National Life, was married Jan. 27 to Mrs. Bruce Potter Smith. The ceremony took place at a nuptial mass in St. Ita's church and was followed by breakfast at the Edgewater Beach hotel. Mr. and Mrs. DeBarry have gone on a six-week honeymoon to Florida. Before joining Equitable a year or more ago Mr. DeBarry had operated for a number of years his life agency in combination with a general insurance office in 222 West Adams street. For many years he was one of the most successful converters of fraternal insurance to legal reserve basis; operating his own office, and previously he was with the nation-wide Pearson organization which did a similar business.

Merritt R. Laubenheimer, prominent Chicago broker and former deputy sheriff of Cook county under his father, who for many years was an office broker associated with the Conkling, Price & Webb agency there, recently took office with the H. G. Swanson general agency of New England Mutual Life in Chicago where he is doing a large life as well as general business. He was third in 1944 among qualifiers for the Pioneer Club of New England Mutual which is composed of producers who pay for $150,000 to $250,000 in the club year and almost qualified for the $250,000 club. Mr. Laubenheimer does a very large general insurance business.

Boost Lee For U. S. Chamber

L. F. Lee, president American Life Convention, is being proposed by Florida chambers of commerce for election as a regional or district director to represent that area on the U. S. Chamber of Commerce board of directors.

L.I.A. OK's Harmony Bill

Life Insurance Association of America has adopted a resolution endorsing the McCarran-Ferguson bill. It had not previously joined with other branches of the industry in urging the bill, although it was among the organizations endorsing the commissioners' bill or any modification of it that did not violate its principles.

DEATHS

E. C. Dearden, Jr., of U. S. Review Dies

Edward C. Dearden, Jr., vice-president and treasurer of United States Review Publishing Co., Philadelphia, and former executive of the George W. Blabon Co., died early Sunday morning at his home at Merion, Pa. He was 40. Funeral services were held from the residence Tuesday.

Shortly after finishing his education at Haverford school and Princeton University, Mr. Dearden joined the linoleum concern founded by his great-grandfather, and remained in the business until it was consolidated some years later to form the Sloan C. Blabon Corp. He continued with the latter corporation for an extended period, withdrawing to become vice-president of the United States Review Publishing Company.

He was a director of the Merion Civic Association.

He leaves a widow, Alice Fox Dearden; two sons, Edward 3rd, and William Fox Dearden; a sister, Mrs. Philip P. Smith of Merion Golf Manor, Pa., and his parents, Mr. and Mrs. Edward C. Dearden, Sr., Philadelphia.

Charles D. Hoagland, Veterans' Association supervisor of Metropolitan Life, died at his home in Newark. Starting with the Metropolitan as a mail boy in 1898, Mr. Hoagland served in various capacities until in 1929 he was made assistant secretary-treasurer of the Metropolitan Veterans' Association, acting as liaison officer between the association, made up of agents, and the home office. He retired officially after last year at 65, under the Metropolitan's retirement program, but continued the active administration of the association at the request of agents.

J. Harold Rosenblatt, 57, vice-president and treasurer, and **Millard N. Diehl,** 53, secretary, of Sun Life of Baltimore, died within two days of each other. Mr. Rosenblatt started with Sun Life nearly 30 years ago in the agency department where through canvassing and debit work he learned the business through actual field experience. Later he joined the home office as ordinary supervisor. Subsequently he became treasurer and organized Sun Life's mortgage and investment departments. In 1937 he was named vice-president and treasurer.

In 1910 when he was 16, Mr. Diehl started with Sun Life in the home office. As assistant secretary and assistant treasurer and later as secretary, Mr. Diehl was instrumental in perfecting the personnel administration now in operation at the home office and district offices.

Thomas E. McCrary, 58, for 17 years an agent of Metropolitan Life in Kansas City, died there after an illness of six months.

Charles L. Peet, St. Paul life man, whose family for three generations has been prominent in life insurance there, was killed in a highway accident in Florida. He was a grandson of the late Emerson W. Peet, for many years a general agent in St. Paul, as was his father, William F. Peet.

Charles M. Henderson, 86, former Rochester, N. Y., general agent of New England Mutual Life, died at his home there. He retired in 1921.

Eugene O. Downs, 72, who was connected with the liquidation department of the Ohio department, died Monday in a hospital in Columbus. He was the father of Joseph M. Downs, assistant secretary of Ohio State Life.

William M. Booker, 70, Toledo manager of Mutual Benefit Life since 1905, died following a year of ill health. He entered the insurance business early in 1900 as an agent of Standard Accident and still represented that company. He entered life insurance in 1905 with Mutual Benefit. He had been prominent in civic affairs and in 1930 was awarded the Toledo "Blade" Achievement Cup.

COMPANIES

Guardian Life of Texas Has Reinsurance Mate

Guardian International Life has been formed with $100,000 capital and $600,000 net surplus, and has reinsured all of the outstanding insurance liability of Guardian Life of Texas. Both companies are chartered and licensed in Texas.

Guardian International will operate solely as a reinsurance carrier. Guardian Life of Texas will continue to function as heretofore. The officers of Guardian Life of Texas, as well as the home office personnel, will remain unchanged, and will continue to handle all details of the business as heretofore.

The assets of the reinsuring company are wholly in cash.

Chas. W. Windham is president of both companies.

New World Dividend 50 Cents

New World Life has declared a dividend of 50 cents a share to be paid to stockholders of record as of Feb. 13. This is an annual dividend. In recent years the dividend has been 40 cents.

Kentucky Central Dividend

Kentucky Central Life & Accident, which in December declared a stock dividend, increasing capital from $400,000 to $500,000, has voted a $3 per share cash dividend. Last year it paid dividends of $4 a share, plus the stock dividend.

COMPANY MEN

Grahame Named Counsel of Mass. Protective

Orville F. Grahame has been elected counsel of Massachusetts Protective, Massachusetts Protective Life and Paul Revere Life. He succeeds Frank L. Harrington, who had been advanced to president.

O. F. Grahame

Mr. Grahame is a graduate of the University of Iowa, where he was editor of the "Law Review." He was associated with Guardian Life in New York upon graduation in 1929 until 1939, as a member of the law department and assistant secretary. He became associated with Massachusetts Protective in 1940 as associate counsel.

Mr. Grahame drafted the New York statute exempting disability benefits from claims of creditors, which statute has been widely copied in other states. He has written extensively on insurance subjects, including disability insurance, mutuality, and settlement agreements and trusts.

Named Associate Medical Director of Fidelity Mutual

Dr. J. T. Sheridan, recently appointed associate medical director of Fidelity Mutual Life, since 1932 has been assistant medical director of that company.

DR. J. T. SHERIDAN

He has had full charge of the medical examiners. Prior to 1932 he was medical director of Philadelphia Life.

F. J. Scott Is Elected Morris Plan President

F. J. Scott has been elected president of Morris Plan Insurance Society, succeeding the late R. W. Watson. He is a vice-president of the Industrial Finance Corp. and of the Morris Plan Corp. of America and is a director of the Morris Plan banks in 12 cities.

Postal Life & Casualty Changes

Mrs. John F. Rhodes has been named assistant vice-president of the Postal Life & Casualty in charge of personnel. H. J. Norman was elected comptroller. He was an examiner for Missouri insurance department before joining the company last year.

Witherspoon, Harris on Board

John A. Witherspoon, vice-president and director of agencies, and Will L. Harris, vice-president of Volunteer State Life, have been elected directors of that company.

J. H. Barrier Vice-President

John H. Barrier, formerly manager of the mortgage loan department of Jefferson Standard Life, has been elected vice-president and manager of the mortgage loan department. He has been with the company 23 years.

Fred P. Benz Assistant Auditor

Fred P. Benz has been promoted to assistant auditor of Equitable Life of Iowa. He went with Equitable in 1915, and his affiliation with the company has been continuous, save for his service in the army during the former war.

SALES MEETS

Hemphill Agency, Oakland, Holds Conference

The A. D. Hemphill central California agency of Equitable Society in Oakland held an all-day business meeting there at which production plans were discussed. Rules covering settlement options were discussed by S. W. Combs, associate manager; time control by George Mortenson, unit manager; technique and rules for writing non-medical business by Mike Korbholz, district manager; underwriting rules and procedures by W. S. Campbell, cashier.

A dinner-dance was held at Berkeley Country Club. A $50 war bond was presented to Albert Johansen of the Korbholz unit, who was volume leader in the Loyal Legion Week campaign; a $25 war bond to H. D. Turley, Osborne unit, leader in number of applications. Both are new men in the agency.

Total volume written in Loyal Legion Week was $335,302, number of cases 87, with 32 agents participating.

American Mutual General Agents Attend Conference

More than 30 general agents of American Mutual Life, representing 10 states, attended the general agents' conference in Des Moines.

H. S. McConachie, vice-president and superintendent of agents, announced that the company in 1944 had the best year in its history, with a 20% increase in production. Business in force increased to $94,400,000.

A. D. Fogarty, Des Moines general agent, led in volume of premiums for 1944 and R. M. Threlkeld, Sr., Cedar Rapids, in insurance written. Forty-four qualified for American Mutual Life production clubs the past year, Mr. McConachie announced.

It was announced that the J. D. Serrill agency of Minnesota won the President's trophy and that J. A. Fogarty, Kansas City agent, was persistency chief.

Mr. Fogarty was named president of the 1945 Production Club and Mr. Threlkeld vice-president. Five members were named to the newly organized "Millionaire's Club": J. P. McMahon, Waterloo, Ia.; B. F. Proval, Chicago; H. L. Fuller, Omaha; William Hemman, Los Angeles, and Mr. Threlkeld.

LIFE AGENCY CHANGES

Occidental Names Phillips, Marvin in Philadelphia

Occidental Life of California has established a Philadelphia branch office under the management of Vernon L. Phillips, formerly supervisor of Fidelity Mutual's home office agency. John H. Marvin will be brokerage manager. Offices will be in the Fidelity-Philadelphia Trust building. Occidental Life has been operating in Pennsylvania since 1937. An agency was established in Pittsburgh four years ago and has grown to be one of Occidental's 10 largest production units.

VERNON L. PHILLIPS

Mr. Phillips entered life insurance in Philadelphia in 1936. He qualified for production honors with Fidelity Mutual and in 1941 was named supervisor of the home office agency. He is a director of the Philadelphia Association of Life Underwriters and is chairman of its supervisors group. He is a graduate of the Sales Research Bureau's school of agency management.

JOHN H. MARVIN

Mr. Marvin attended the Wharton School of the University of Pennsylvania and is a graduate of the Bureau's school of agency management. In 1920 he entered life insurance as cashier of the Philadelphia agency of Aetna Life. After seven years of office work he decided to take up selling and was a success from the start. He was later appointed field supervisor for southern New Jersey, where he developed a successful branch office. He then returned to Philadelphia as supervisor in the Paret agency of Provident Mutual. For the last four years Mr. Marvin has been brokerage supervisor in the Adams agency of John Hancock Mutual.

Bewley, 47-Year N. Y. Life Man, Quits; Stagg Okla. Head

OKLAHOMA CITY—After 47 years with New York Life, E. G. Bewley, supervisor of agencies for Oklahoma has retired. He has been in charge of Oklahoma for 40 years, during which the volume in force in the state grew from about $10 million to more than $112 million.

W. P. Stagg, whom Mr. Bewley started as an agent at Frederick, Okla., in 1922, is now in charge as agency director. After setting high personal production records in his early years with the company he became agency organizer in 1925, later agency director in Columbus and returned to Oklahoma in 1941.

Dick Oliver of St. Louis, now assistant vice-president of New York Life, started with the company a few months ahead of Mr. Bewley and this youthful association formed the nucleus of a close life-long friendship.

Mr. Bewley was sent to Little Rock as cashier, and two years later was made organizer for west Texas and Chihuahua, Mexico. He then went to Phoenix, Ariz., as agency director. When Arizona was taken from the old southwest department, Mr. Bewley asked a transfer to Texas, later transferring to Oklahoma City in 1905.

In 1936, Mr. Bewley made a trip around the world. New York Life reported $8,927,136 paid business for 1944 in Oklahoma, an increase of $1,633,173.

Speer Starts New Agency at Newark

NEW YORK—J. F. Speer, assistant manager of the Benton agency of Equitable Society since 1941, has been appointed manager of a new agency he is starting for Equitable at Newark, the third in that city. Mr. Speer started with the Dunsmore agency in 1926. He has been a large personal producer, is a C. L. U., and is currently vice-president in charge of educational activities of the New York City Life Underwriters Association. He was president of the New York C. L. U. in 1940.

Olsen Named to Succeed Hamburger

Francis R. Olsen, since 1921 a special agent in the agency of Northwestern Mutual Life in Minneapolis, has been appointed general agent there, effective March 1. He succeeds Ralph Hamburger, who died last November after 36 years with the company. One of the many successful producers developed by Mr. Hamburger, Mr. Olsen is one of the most popular members of the company's field force.

Since joining Northwestern Mutual after attending the University of Minnesota, Mr. Olsen has placed nearly $12,500,000 in the company for an average yearly production of better than $500,000. He has received many company awards and production honors, starting in 1924 with the bronze section. From 1926 to 1930 he qualified for the Marathon Club, and he has been a member of the 4-L Club 74 times. In 1941 he

won the coveted "Special AA" honor for the largest volume paid for that year. He is a life and qualifying member of the Million Dollar Round Table of the National Association of Life Underwriters.

President of the Northwestern Mutual Association of Agents in 1936, Mr.

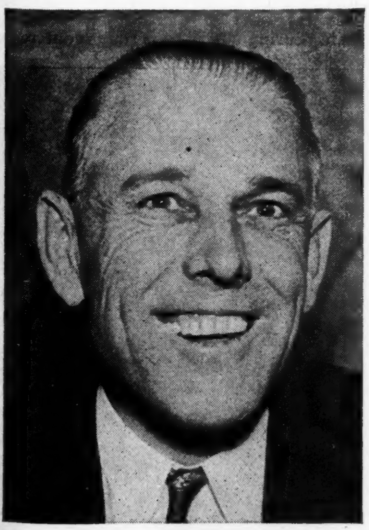
FRANCIS R. OLSEN

Olsen has also been president of the Northwestern's Minneapolis Agents Association, as well as of the Minneapolis Association of Life Underwriters. He has been a featured speaker on several occasions at the annual meetings of the Association of Agents in Milwaukee. He writes high-grade, diversified business, including family and estate needs, he still holds. He is a past state commander of the American Legion in Arkansas and at present is serving as state chairman for the Arkansas chapter, National Foundation for Infantile Paralysis.

Graves Ark. General Agent of K. C. Life

J. Herbert Graves, former Arkansas insurance commissioner who retired from office Jan. 15, has been appointed general agent in Arkansas by Kansas City Life, with offices at 504 Wallace building, Little Rock. The company has approximately $8 million of business in force in the state.

Mrs. Oma Mai Sullivan, who served as secretary to Mr. Graves during his four year term as commissioner, will serve in the same capacity in the new general agency.



J. HERBERT GRAVES

Mr. Graves for three years was a member of the executive committee of the National Association of Insurance Commissioners, and in 1944 was chairman of the important committee on federal legislation.

Before becoming Arkansas commissioner, Mr. Graves was vice-president of the Farmers & Merchants Bank, Judsonia, Ark., and a director of the Pulaski Federal Savings & Loan Association, Little Rock, positions which

Plans of Management Firm

Wisconsin State Managers, Inc., which has just been incorporated at Madison is set up to manage insurance companies on a state-wide basis.

Vice-president of the firm is Robert L. Hesse, who was formerly general agent for Lincoln National Life and since last September has been regional manager for Franklin Life at Madison. Now Wisconsin State Managers have entered into a contract to represent Franklin in Wisconsin except for Milwaukee county.

President of the firm is R. J. Kalbskopf, who was the original organizer and treasurer of Farmers Mutual Automobile of Madison. He is especially well known to insurance men in rural communities.

E. A. Seehafer, treasurer of Wisconsin State Managers, was formerly assistant secretary and production manager of State Farm Mutual, a companion company of Farmers Mutual Automobile writing tornado insurance.

Secretary of the firm is Francis Mayo.

Wisconsin State Managers expects to secure the representation of fire and casualty companies.

Heise Returns to Detroit

After an absence of 2½ years, O. D. Heise, well known life manager, has returned to Detroit as manager of American United Life, succeeding R. C. Davisson. Since 1942 he has been manager of Occidental Life in Lansing. For four years before that he was Detroit manager of Acacia Mutual.

Lindwall Named in Manitowoc

Robert Lindwall has been appointed general agent at Manitowoc, Wis., by Central Life of Des Moines. He has been with Mutual Life in Manitowoc for eight years.

Hillis Transferred to Memphis

J. F. Hillis has been transferred by National Life, from Dallas to Memphis as manager.

Wentzle Ruml, Jr., cashier for Travelers at Dayton, has been appointed cashier at the Newark office. To succeed him in Dayton is D. E. Nickerson, who has been assistant cashier at Syracuse.

Mr. Ruml Jr., is a brother of Beardley Ruml, author of the Ruml plan.

AGENCY NEWS

Mitnick Agency Observes Manager's 15th Year

M. H. Mitnick, agency manager of Equitable Society in Philadelphia, was honored at a conference and dinner there on his 15th anniversary with the company. Among those participating were A. B. Dalager, second vice-president; Larry Semft, division group manager of Philadelphia, and Russel Jankins, assistant manager of the Miller agency.

S. W. Fields discussed today's market for life insurance. He was the leading producer in the Philadelphia area in 1944 with a total of about $1,750,000.

A. E. Greenbaum, assistant manager, described specific cases of inadequate coverage. Samuel Zeitz in the first 22 days of January paid for eight cases for $47,000 with premium deposits of approximately $2,200.

Announcement was made of appointment of Benjamin Tollin as unit manager.

Mr. Semft took up the opportunities for selling group in Philadelphia. Mr. Jenkins pointed out the profit in joint selling, which he said in many cases results in better prospecting for the agent.

Manager Mitnick spoke, saying 1945 is a year in which to safeguard the agent's future, and that he was glad to be in the life insurance business, with no rationing of products, no priorities, no going out of business for lack of materials and labor.

Vice-president Dalager congratulated the agency for its increase in club members, in commissions and volume, and also for the high average policy sold in 1944.

O'Brien Agency Anniversary

The 24th annual reunion and dinner of the James B. O'Brien general agency of Berkshire Life at Albany, N. Y., was held there. Mr. O'Brien was the chairman, L. B. Hendershot, assistant director of agencies; Dr. Frank Harnden, medical director; Edgar B. Clerk, vice-president; W. Rankin Furey, vice-president and director of agencies, and Harrison L. Amber, president of the company, participated in the program. Twenty-four prizes were distributed. Ben Seidenberg was company leader and Tom Shannon agency leader.

Prouty Leads in Increase

LOS ANGELES — The Phinehas Prouty, Jr., general agency in Los Angeles had the largest increase in paid-for business of any Connecticut Mutual Life agency. It ended the year third in volume, with total life and annuity paid-for of $4,168,560. Fifteen full time agents joined the agency during the year. The gain in insurance in force exceeded $3,125,000 which also placed the agency in third position in net gain.

Vogel Agency Holds Dinner

More than 50 members and brokers of the William S. Vogel agency of Columbian National Life in Newark were guests of Mr. Vogel at a dinner held in honor of the agency's winning the company's "victory trophy" for production the last three months of 1944.

E. G. Siefert, manager of Ohio State Life at Marion, O., entertained the members of his agency at a two-day meeting. President Claris Adams and several others from the home office spoke.

W. J. Dunsmore agency Equitable Society, New York—All 19 members of the agency qualified for club membership in 1944, averaging $263,000 production and $3,920 first year commissions per man. Total ordinary produced of $5,060,000 was a 40% increase over 1943. In addition, the agency had $6,000,000 of group life and group annuity business and $200,000 ordinary from brokers, a total of $11,260,000.

ASSOCIATIONS

Andrews Says Post-War Prospecting Will Be Good

LITTLE ROCK—W. H. Andrews, Jr., Greensboro, N. C., president of the National Association of Life Underwriters told the Little Rock association at its January meeting that after the war, new prospecting channels will lie in the direction of the professional and salaried groups, key men in war plants, the building trades, and farm and agricultural groups whose economic position would remain good for a number of years.

Percy Richardson, New York Life, president of the Little Rock association, announced the following committee chairmen for 1945: Program, William R. Harrison; attendance, Nils Florentz; legislation, H. H. Conly; standards, C. H. Wickard; membership, George Wittenberg; education, R. M. Watkins; finance, Gordon H. Campbell, managers and general agents, Joe E. Thompson; publicity, George Wittenberg.

Membership Chairman George Wit-

tenberg reported association membership of 108.

Guests included J. Herbert Graves, general agent in Arkansas for Kansas City Life and former insurance commissioner, and Henry A. Ritgerod, executive secretary, Arkansas Association of Insurance Agents.

Arizona—William H. Andrews, Jr., president of the National association, spoke at a meeting in Phoenix of 100 members of the Arizona association. Allen Cameron, president of the Arizona association, Arizona manager of Beneficial Life, introduced Mr. Andrews.

Legislative guests at the dinner included Roy Rummage, head of the state insurance department; Senator J. R. Heron, chairman of the banking and insurance committee of the senate, and Representative F. W. Sharpe, chairman of that committee in the house.

The association presented Mr. Andrews with a cowboy hat.

Monroe, La.—An association was organized here with a membership of 35. J. D. Carroll, Protective Life, is president; E. W. Crowley, Lamar Life, vice-president; J. D. Womack, First National Life, secretary.

San Francisco—William H. Andrews, Jr., N.A.L.U. president, presided over a two-day conference here attended by officers of other northern California local associations, A. C. Duckett of Los Angeles, national trustee; Herrick C. Brown, president California state association, and H. K. Cassidy, northern California chairman for war bond sales.

Mr. Andrews addressed the Oakland-East Bay association Monday and Tuesday, the San Francisco association.

Mr. Cassidy introduced these delegates to the conference: Waldo Freeman, president San Jose association; William H. Gardner, president Central California association, Fresno; R. A. Tennant, president Oakland-East Bay; Bert Alldredge, Stockton, and Fred R. Jones, secretary Sacramento.

Mr. Andrews took a trip to Sacramento to meet with underwriters in that section and then went on to Los Angeles.

Indianapolis—Arthur F. Priebe, associate general agent Penn Mutual Life, Rockford, Ill., in urging the use of programming to increase present holdings of life insurance, said that while it takes time to program cases, it is time well invested.

John D. Pearson, newly appointed Indiana commissioner, was introduced. He said he intends to acquaint himself as rapidly as possible with the business.

John Bruhns, Continental Assurance, was elected a director, succeeding R. B. Burch, New York Life, who was recently transferred to Nashville.

Chicago—R. D. Hinkle, Reno agency Equitable Society, chairman of the advisory council, held a meeting Thursday.

Oklahoma City—W. H. Andrews, Jr., N.A.L.U. president, spoke on "American Life Insurance—an Instrument of Social Service." A number of business executives who employ 100 or more workers had been invited to attend.

Wisconsin Valley—Paul T. Tobey, Penn Mutual, Wausau, has been elected president, succeeding Bissell A. Bradley. C. K. Gustafson, Wisconsin Life, was named vice-president, and Mrs. Kennie Moore, secretary-treasurer.

Minneapolis—A one act play, "A Day With Big Business," was put on at the Feb. 1 luncheon meeting. Paul H. Dunnavan, Canada Life, took the role of insurance counsellor. Two bankers and an attorney completed the cast.

Nashville, Tenn.—Raymond J. Dolwick, assistant director of agencies of Northwestern Mutual Life, addressed the January meeting. The annual membership drive was reported as going well, with expectation of the largest membership in years.

Chattanooga, Tenn.—Hinton F. Longino, southern division manager of the Retail Credit Co., described his organization's method of getting confidential reports on prospective risks for life companies.

Charlottesville, Va.—Eldon D. Wilson, Mutual Life, Richmond association national committeeman and a member of the N.A.L.U. agency practices committee, spoke on salesmanship.

Kokomo, Ind.—A ladies' night meeting was held with 39 present.

Detroit—H. B. Ruhl, Northwestern Mutual, and C. A. Macauley, John Hancock, have resigned as directors. H. T. Eastham, Travelers, was named to succeed Mr. Ruhl. Successor to Mr. Macauley will be named in February.

Kansas City—At the January meeting of the women's division, Mrs. Mildred P. Miller, Penn Mutual, and Miss Norma Wasson, Aetna Life, conducted a discussion of "The Results of a Well Planned Program for Work."

Dubuque, Ia.—Dr. John A. Thorson of Dubuque spoke at the January meeting, discussing socialized medicine. President Hugh Stouse reported on the recent state meeting at Cedar Rapids.

Pittsburgh—Attorney Daniel M. Evans is addressing the Beaver Falls branch at a supper meeting Feb. 12 on "Taxation and Life Insurance"; C. Hugh Blair, Pittsburgh manager Phoenix Mutual, is addressing the Washington branch, Feb. 7, on "Let's Have Fun Selling Life Insurance"; R. S. Koehler, Jr., general agent National Life, is appearing before the New Castle luncheon meeting on Feb. 8, on "There Is No Luck About It"; and Bernard Graham, supervisor Mutual Benefit, is scheduled for a luncheon meeting at Butler, Feb. 9, on "Practical Prospecting."

St. Joseph, Mo.—Leon Fink, district manager of Equitable Society in Kansas City, addressed the January meeting.

RECORDS

Bankers Life, Neb.—Business in 1944 was the best in the company's history, with volume of $19,438,131, counting issued and revived business, $1,099,131 greater than in 1943. Gain of insurance in force $12,613,473, total in force $155,245,598. Assets $44,915,032, increase $2,551,440. Government bond holdings total $11,960,800. Lapse ratio one of lowest in history.

Berkshire Life—New paid for life business during 1944 amounted to $23,699,847, an increase of 26.6% and the best year since 1930. Insurance in force reached $252,423,554.

For 22 consecutive months paid life production has gained over the corresponding months of the previous years.

Pacific Mutual Life—New business paid for in 1944 totaled $80,515,184, compared with $50,565,680 in 1943. Insurance in force Dec. 31 was $675,178,508, compared with $622,659,773 a year earlier.

It was the best year since 1930 which showed paid-for business amounting to $100,919,764 and insurance in force $766,887,350.

Trust Provisions Viewed

PHILADELPHIA—Provisions that should be incorporated in every trust and various tax factors which enter into these types of arrangement were discussed by Richard K. Stevens, attorney, before the Philadelphia Life-Trust Council. The testator under a Pennsylvania trust should be sure to indicate in the instrument just how payment of the tax should be met under the proportionate rule, he pointed out. Since the provisions of a will have often been found to be in conflict with the term of the trust on this point, Mr. Stevens stressed that it is always advisable to see that both instruments coincided in their provisions.

AGENCY MANAGEMENT

Selects Type of Agents Necessary to Get Available Business

DETROIT—Analysis of one's territory as to type of available business and the type of agents necessary to get this business is the first step in starting a life agency from scratch, Stanley Cottle, Toronto, manager Manufacturers Life, told the Associated Life General Agents & Managers of Detroit.

Each community has its own peculiarities, and these should be studied carefully before attempting to build an agency, Mr. Cottle said. Usually one particular type of agent will be most successful in tapping the business sources in a particular community, and recruiting should be done with this type in mind.

In establishing his present agency in 1939 when Canada was at war, he set up machinery to force him to do regular recruiting. He procured a list of executives, prepared a series of letters asking centers of influence to recommend prospective agents and then directed his secretary to mail out 20 a day to the list. He obtains from 10% to 15% replies.

Makes Him Better Known

He does not expect to get many agents this way but it serves the purpose of making him better known to the executives of the community and occasionally brings in a good prospect. It also forces him to follow up prospective agents and gives him a pretext to call on the executives themselves for life insurance. The secretary follows up the letters to the point of making appointments for the manager, thus relieving him of much detail work. Greatest recruiting results have been from his own efforts with his acquaintances and friends of agents.

He gathers together a group of perhaps 20 prospective agents at a time, tells them he will select just two from the group and then does an intensive job of selection and concentrates on selling the job to the men finally selected. Training is less work when it is carried on with two or three good prospective agents at a time.

Since new men cannot do their best if they are worried about supporting their families during the initial period, he pays them a drawing account sufficient to keep them in their accustomed station in life. It is difficult to teach correct prospecting habits to new men with many friends in the community; he prefers a man who knows few people since that man is forced to develop good prospecting habits in order to continue.

Gets Failures a Job

When a selected man fails to make good in the business he gets him another job. This is necessary so that the community will not get the idea that the agency throws its failures "to the dogs," which would prevent recruiting through centers of influence. He believes in standardized effort by agents and in conditioning the agent's mind to the savings idea. If this cannot be done, he does not keep the agent on the staff. By the savings idea he means that the agent must be convinced that insurance is necessary to replace a man's earnings when he can work no longer.

On the basis of experience, Mr. Cottle has found that it pays to train his men by a month's hard cramming in the office followed by field work, but it is necessary for the agent to have a good educational background in order to absorb cramming. He believes that technique and habit are more important than knowledge in turning out a successful agent.

Man Devises Own Talk

He has found it best to teach a new agent a sales story, then let him find out how terrible it sounds by dictating it to a dictograph. Then he has the agent take the basic ideas and put them in his own words, which greatly improves its effectiveness, after which the agent must learn the story verbatim. By this method the story reflects the agent's own personality and rings true.

Every agent, old or new, must call on at least 20 new people per week, must get at least 10 interviews with these new people and must make at least one sale to them. The rest of his time can be spent on his regular list. He stresses efficiency and not volume and finds that this method tends to increase the average policy sale, which is now in excess of $5,000 for his entire staff.

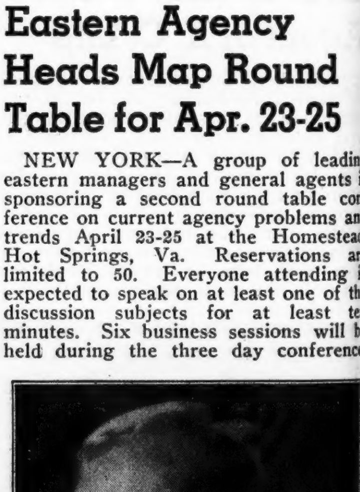
Women Agents Succeed

Never sold on women as agents, he hired three of them among his six recruits in 1944, using the same training technique as on the men. These three women placed $800,000 of business in 1944 despite the fact that he will not accept policies covering the lives of men from his women agents. He believes they can use their time more constructively selling career women, of which Toronto has a plentiful supply.

His agents must keep time control records regularly and are encouraged to get their appointments for the week lined up early in the week, on Monday and Tuesday, making the calls on the remaining days. This works out more efficiently than the haphazard method.

Eastern Agency Heads Map Round Table for Apr. 23-25

NEW YORK—A group of leading eastern managers and general agents is sponsoring a second round table conference on current agency problems and trends April 23-25 at the Homestead, Hot Springs, Va. Reservations are limited to 50. Everyone attending is expected to speak on at least one of the discussion subjects for at least ten minutes. Six business sessions will be held during the three day conference.



W. M. DUFF

W. M. Duff, Equitable Society, Pittsburgh, is committee chairman, and W. J. Dunsmore, Equitable Society, New York, is in charge of arrangements. The agenda includes:

Recruiting, training, retraining, supervising, financing, maintaining morale and increasing production of men returning from the service, as well as men at present in our organizations.

Package sales, estate planning and business insurance.

How will future agency operations be affected by increasing group insurance production and extension of coverages, as well as growing pension trust business and savings bank insurance?

The effect of increasing amount of ordinary written by industrial agents.

What the life underwriters' associations have actually accomplished during the last ten years in behalf of the agents. What could the unions do for the agents which the underwriters' associations could not do?

What could the agents, heads of agencies, home office officials or the life business as a whole, do over and above what they are doing to make the public realize the value of the service of a good life insurance agent and build up his prestige? How will this reflect as an advantage to all those mentioned as well as to the uninsured and the under-insured public?

Are the agents in the best position to bring about a change in the insurance law whereby a general increase in compensation could be paid by the companies to make up for the increasing cost of living, increasing taxes and increasing amount of service in quality and volume demanded by home office and policyholders? What would a survey of the agents' financial status and net income after taxes and expenses indicate as compared with 1928?

Do some of the public and some of the insurance people want the government to go into the annuity business and if so, why, and what probable effect will result?

Will general agents or managerial agencies increase or decrease during the next ten years and why? Is independent contractor status of agents more desirable than employer and employe relationship? Which will increasingly prevail during the next 10 years?

Employes Handling Counter Business Need Training

DETROIT—In order to take the best possible care of policyholders at the counter, agencies should work out a program of employe training and hold regular classes of instruction, C. G. Sedan, manager of the Detroit Convention Bureau, told the Detroit-Windsor Life Agency Cashiers Association. Discussing service from a policyholder's viewpoint, Mr. Sedan outlined programs used by the airlines and hotels for improving service to the public.

The public considers the employe with whom they come into contact in the agency as the company, and if they are not properly taken care of they hold it against the company and the agency rather than against the employe. Home office rules should not dominate agency practices too much, since different practices are necessary in different communities, Mr. Sedan pointed out.

Bowles Speaks to Managers Association in Richmond

RICHMOND, VA.—Pointing to the great gains made by life insurance in 1944, Commissioner Bowles of Virginia, told the Life Agency Managers of Richmond that "these astronomical figures have a new deal sound, but it is certainly the squarest deal known to the American people."

The Virginia department urges that greater emphasis be placed on the human assets of the insurance business. There are approximately 4,000,000 people dependent on the insurance business for their living, a figure comparable with most of the other great industries. "We should be impressed with our solemn obligations, duties and responsibilities as insurance executives and supervising authorities," he said.

"There will continue to be problems of supervision and management, for the institution is progressive. It cannot and will not stand still. As it develops, the management and supervisory authorities must gear themselves to the needs of the times, and it is my hope that we may be able to work out our problems together in a spirit of true cooperation," Commissioner Bowles declared.

Cincinnati Leaders Feted

CINCINNATI—Dr. Tehyi Hsieh, managing director of the Chinese Service Bureau, Boston, and prominent orator and author interpreting China to Americans, was the speaker at the annual leaders' banquet sponsored by the Associated Life General Agents & Managers.

Dr. Hsieh was introduced by Ben Stoner, Connecticut General. B. F. Heald, Lincoln National, was chairman of the program and W. H. Blohm, Provident Mutual, presided as president of the group.

The individual leaders of the various agencies were introduced by their respective agency heads.

Review Service Men's Problems

Problems of returned service men were analyzed at a meeting of the Life Managers Association of Minneapolis by Oscar J. Jerde, veterans federal employment representative.

Moody San Antonio President

The San Antonio Life Managers Club has elected these officers: Tom N. Moody, Jr., Amicable Life, president; Henry Coutret, Ohio National Life, vice-president; George A. Martin, Atlantic Life, secretary-treasurer. Directors are A. J. Ballard, Minnesota Mutual Life; Paul C. Creamer, Southwestern Life; O. R. McAtee, Republic National Life; W. E. Vincent, Southern Life & Health, and B. A. Wiedermann, Union Central Life.

John C. Leissler, editor "Insurance Record," spoke on the problems facing the insurance business as a result of the Supreme Court decision and the tendency of the administration to take over control of all businesses.

Portland, Ore., Cashiers Elect

Mildred Conroy, Phoenix Mutual Life, has been elected president of the Life Agency Cashiers Association of Portland, Ore.

James Martin, Mutual Life, and Edna Pearson, Union Central Life, are vice-presidents; Dorothy Jean Ambruster, Provident Mutual, secretary and Caroline Burco, John Hancock, treasurer.

Discuss Cashiers' Problems

The San Antonio Life Agency Cashiers Association, held a round table discussion of the problems and conditions affecting the work of the cashier. It was held that the cashier should be able to answer positively and clearly all questions of the policyowner and be able to advise as to change of beneficiary and other details, or as one of the cashiers expressed it, be an assistant general agent.

Holcombe Talks at St. Louis

At the January meeting of the General Agents & Managers Association of St. Louis John Marshall Holcombe, Jr., manager of the Sales Research Bureau, discussed "The Findings of the Bureau's Study of Job Satisfaction," based on questionnaires to agents.

The thing which gives the greatest satisfaction to agents is the functioning of life insurance; the thing least satisfactory is public reception of the life insurance man.

Guests at the meeting included Walter W. Head, president General American Life; Ripley Bowden, agency vice-president General American Life; J. DeWitt Mills, superintendent of agents Mutual Savings Life. Rex D. Jeffrey, Provident Mutual, president of the association, presided.

Elbert E. Hensley, insurance attorney, spoke to the **Life Agency Cashier's Association of Los Angeles** on the "Possible Effects of the S. E. U. A. Decision." While the decision has far reaching effects, too much concern should not be felt by insurance men of the ultimate outcome, he said.

Aetna Life Companies' Honor Roll

Aetna Life affiliated companies have gotten out the second edition of the "Aetna Honor Roll," a listing of home office and field employes and agents and agency employes in service. So far, 42 have been killed or died in service, nine are missing in action and 10 are prisoners of war. There are 2,877 in service or honorably discharged, 448 from the home office, 1,167 from the field, and 1,262 general and local agency employes and associates.

CHICAGO

MAP RED CROSS DRIVE

W. E. Hall, manager of Johnson & Higgins, for the third year has been appointed to serve as chairman of the insurance division for the annual Red Cross drive in Chicago. Vice-chairmen include E. T. Lomasney, Metropolitan Life, for life insurance interests, and Fred A. Johnson, Royal League, fraternals. The insurance quota this year is $160,000 as compared with $180,000 last year. In 1944 insurance got 97½% of its quota.

ECONOMIES IN BOND ISSUE

The life insurance companies and other large investors that took up the recent issue of Commonwealth Edison Co., bonds, instead of being furnished with a stack of bonds of $1,000 denomination, received only a single certificate covering the entire amount of their purchases. It is stipulated that when and if the bond owner desires to sell any or all of its holdings, then the registrar will furnish bonds in the $1,000 denomination. This greatly simplified the mechanics of putting the issue into effect, saved a considerable registered mail bill and provided other worth while economies. Continental-Illinois National Bank & Trust Co., Chicago, handled the details.

HENCHIE AND REEM ADVANCE

Samuel A. Henchie, assistant cashier in the Chicago collection office of Equitable Society, has been appointed cashier following the transfer of Joseph L. Beesley to Syracuse, N. Y., as agency manager for that company. Clair F. Reem, cashier at Nashville for the last 11 years, has been transferred to Chicago as assistant cashier. The Chicago collection office is the largest and most important in the country outside of the home office.

Mr. Henchie was born in Ireland and came to this country about the age of 20. He became associated with Equitable Society's cashier department in Winnipeg, where he was advanced to cashier. Later he was cashier at Milwaukee for three years before being assigned to Chicago 16 years ago as assistant cashier.

Mr. Reem, who was born in Princeton, Minn., and is a University of Idaho graduate, started with Equitable in 1927 at Spokane. He was advanced to assistant cashier there and later assigned to Salt Lake City as assistant cashier, then to Buffalo as cashier before going to Nashville.

GO TO 44 HOURS

The Chicago insurance offices that several weeks ago received orders to go on a 44-hour week are now doing so, after some of them went through the formality of appealing the order to the area War Manpower Commission director there. Among the companies that went on the new schedule this week are Hartford Fire, Aetna Fire, Springfield Fire & Marine. Some of the large agencies also were directed to go on the

longer schedule. Previously the work week has been around 40 hours.

For most of the offices a 44-hour schedule will mean the change to a new routine, that of six days a week instead of five, with a half day on Saturday. This was one of the objections of the insurance offices to making the change, aside from their argument that an increase in time spent would not enable them, because of the departmentalized nature of the business, to release any employes. The shift to a six-day schedule, it was felt, would simply increase the difficulties the companies are having with personnel, particularly married women with household duties, shopping and the like which they took care of on Saturday. Where essential, such employes can get permission not to work on Saturday.

KLEIN HAS BEST YEAR

The A. R. Klein agency of Home Life of New York in Chicago had its best year in paid business in 1944, ranking third in the company. Milton Perlman of the agency ranked third among the producers, heading the second year men. Last year he headed the first year men, being 17th among all producers. J. E. Paquin ranked 31st and M. C. Baumgarten was 40th among company leaders. With the exception of two months the Klein agency was among the top 10 agencies all during 1944. In Home Life's victory conference drive the Klein agency qualified five men among the first 40, including those mentioned above and M. F. Rich and S. S. Klein.

NEW YORK

LAUER LED COMPANY

The M. J. Lauer agency, New York City, produced in 1944 the highest volume of business on a stringent club credit basis of any agency of Continental American Life in its entire history. The agency led during the whole year both in volume of new business and in first year premiums collected. The agency also led during December in first year premiums. In his letter of congratulations to Mr. Lauer, President A. A. Rydgren cited Joseph Harris as leader of the manager and broker group of the company for December both in volume and premiums and for the entire year in respect of first year premiums. Abe Zeeman led the entire manager and broker group for 1944 in volume of business.

HEADS BOY SCOUT DRIVE

L. J. Zettler, superintendent of agencies of Metropolitan Life, has been named chairman of the life insurance committee for the 1945 finance campaign of the greater New York councils, Boy Scouts of America. Vice-chairmen are E. J. Allen, Gardiner agency, John Hancock Mutual; Arthur Reese, Myer agency Mutual Life; V. W. Edmondson, assistant to the president Manhattan Life; G. L. Mendes, agency director Guardian Life of New York; and J. Finlay Allen, secretary Home Life of New York. Cornelius J. Reid, president C. J. Reid & Company is chairman of the insurance division.

COUNSELLOR ARRESTED

John J. Shattls, who has been operating as an insurance consultant at 36 West 44th street, New York City, was arrested recently charged with violation of the state insurance law and with violations of the penal law for allegedly failing to register with the county clerk three of the several names under which he did business. Information was returned by the New York county grand jury charging Shattls with having held himself out as operating under state supervision despite the fact that section 126, subdivision 3 of the insurance law prohibits insurance counsellors from using the phrase "supervised by the insurance department."

The district attorney investigated Shattls' operations at the request of Superintendent Dineen. The district attorney's office stated that Shattls employed runners to approach policyholders and offer them advice of the insurance counsellor on getting lower premium rates and obtaining refund. Shattls or his representative, according to this statement, would get the policies of those who accepted his advice, obtain from insurance companies such changes as conversion of endowment policies into straight life and charge the policyholders a substantial fee.

Over the radio Shattls has advertised himself as formerly of Morris H. Siegel Policyholders Advisory Council, Inc. When arraigned in the court of special sessions he pleaded not guilty.

Trial was set for Jan. 24 but before that date counsel moved to have the case transferred from special sessions to general sessions. This means that he will be tried before a jury instead of three judges. No date has been set.

DECEMBER SALES IN N. Y.

Ordinary sales in New York City for December, according to the estimate of the Sales Research Bureau released by the New York City Life Underwriters Association totaled $58,854,000 as against $51,916,000 for December, 1943.

ATLANTIC ALUMNI SESSION

The Atlantic Alumni Association of the Sales Research Bureau schools of management will hold an all-day session on training Feb. 7 at Hoel Carlyle, New York. The morning session conducted by Wheeler King, associate general agent New England Mutual, and association president, Russell Wonderlic, manager Mutual Life, Baltimore, and A. V. Youngman, general agent Mutual Benefit, New York, will discuss what they are doing to train agents under present conditions.

After lunch there will be a panel conducted by Manager J. M. Holcombe, Jr., of the bureau on what can be done on present and postwar training. Harry Kuesel, manager Phoenix Mutual, will discuss training for the package sale, John Evans, Home Life of New York, will do the same for program selling. G. H. Young, general agent State Mutual will discuss retraining the established agent, and Raymond Johnson, assistant vice-president New York Life, will discuss training the returning service man.

ACCIDENT

Blue Cross Plans Enrolled 3½ Million Assured in '44

Blue Cross plans throughout the country made an increase in membership last year of 3,482,069 as compared with 2½ million in 1943. The total number enrolled is now 16,541,670, according to the Hospital Service Plan Commission. Of the total membership, 54.8% consisted of family dependents and 45.2% of employed persons.

Hospital bills paid by Blue Cross plans last year totaled $75 million and about 1,400,000 assured got hospital care. There are 800,000 service men who temporarily have suspended their membership until their discharge.

Blue Cross Plans are now set up in 42 states, District of Columbia, seven Canadian provinces and Puerto Rico.

There are now 22 plans for prepayment of doctor bills in 17 states and two Canadian provinces. Medical plan membership totals 1,500,000.

N. Y. BLUE CROSS BIG GAIN

The enrollment of 360,498 persons in the Associated Hospital Service of New York during 1944 brings to 1,803,049 the total number of assured. The 1944 increase exceeds by 247,064 or 218% the 1943 increase.

Of the total 217,204 signed up for family contracts. Individual females totaled 74,469, groups of husbands and wives numbered 54,011, and individual male subscribers, 14,814.

Seven hundred employers contributed all or part of the cost of enrollment.

B.A.R.E. Fights High Court Move of Petersen

WASHINGTON—Briefs in opposition to the granting of writs of certiorari have been filed with the U. S. Supreme Court by respondents in No. 753, Julius H. Miner, judge Cook county circuit court, and Paul Willer Petersen, Chicago life insurance broker, vs. People of the state of Illinois, ex. rel Benefit Association of Railway Employees.

B. F. Sears and Herbert H. Naujoks, Chicago, counsel for B. A. R. E., declare it is not a case of public importance, does not involve federal statute; that no federal question is presented; there has been no denial of due process. It is said to be "merely a case where the Illinois supreme court followed the plain wording" of the state insurance code and wherein Petersen failed to "pursue a plain administrative remedy" provided by Illinois law.

Counsel contend that Petersen, holder of an insurance certificate under a group policy issued by B. A. R. E. sought to destroy as illegal and void under Illinois law the contract under which the association acquires all its business. Petersen sought to compel removal of association officers and directors, force a new election to fill vacancies and have present officers and directors declared ineligible for reelection.

N. J. Hospitalization Figures

Figures presented by J. A. Dwigom, executive director of the Hospital Service Plan of New Jersey, in a talk before the New Jersey Health & Sanitary Association in Newark, show that hospital care is called on exclusively for medical treatment in one out of four cases, and for surgical care in two out of four. The remaining 25% are hospitalized for obstetrical service.

Two out of three hospitalized are family dependents, he said. Nine out of 10 cases are served in cooperating hospitals. The married woman is the most likely to be hospitalized, experience shows, the child less likely, and the father least likely to be, he said.

McKee R. R. Department Leader

LOS ANGELES—District Manager A. E. McKee of the western railroad department of Pacific Mutual Life was the leading producer of accident and sickness insurance of the entire railroad division for 1944. He unseated B. C. Finley, who had held the top position for four years.

A. & H. Premiums Up 21%

An all-time high in accident and health premium volume was reported for 1944 in reports furnished to the Health & Accident Underwriters Conference.

The increase reported was 21% over 1943, making a total of approximately $525,000,000 of premiums written by all companies in 1944. Loss ratios were about the same for both years.

Occidental Life of California has been given a permit by the California department to issue stock to increase its capital from $2,000,000 to $3,000,000.

IN U. S. WAR SERVICE

The total number of home and branch office employes and agents of **Travelers** now in the armed services is 3,815 as compared to 3,186 a year ago. This total is divided into 595 home office employes, 1,247 branch employes and 1,973 agents. Thirty-five have been reported killed in action, 10 are reported missing in action and 12 are reported as prisoners of war. More than 260 have been discharged from the services.

Capt. Gerald A. Eubank, supply corps USNR, who in civilian life was manager of a New York ordinary agency of Prudential, has been presented with the Treasury Department's distinguished service citation. This was in recognition of the splendid bond purchase record of navy personnel under his direction.

1944 Company Statements Show Excellent Gains

(CONTINUED FROM PAGE 2)

The ratio of actual to expected mortality was 52, 2% better than 1943. An increase in war mortality was more than offset by a favorable civilian mortality.

KANSAS CITY LIFE

Kansas City Life at the end of 1944 had surplus of $4,751,506, compared with $4,252,063 a year earlier, increase $499,443. Assets totaled $158,405,249, against $147,765,385, an increase of $10,639,864. The holdings of government bonds increased sharply and municipal bond investments were reduced, President W. E. Bixby reported. Government holdings amounted to $68,823,933, against $49,325,583; municipal and state issues $17,473,524 against $19,102,111.

Real estate owned declined $1,942,025 from $5,219,680 to $3,277,655, exclusive of the home office building.

Insurance in force rose to a new high of $555,263,855, an increase of $26,472,726 for the year. Claims paid in 1944 aggregated $7,375,000.

LUTHERAN MUTUAL LIFE

Lutheran Mutual Life insurance in force Dec. 31 totaled $106,670,114, increase $10,750,376. Assets amount to $21,193,808, increase $2,641,648. Surplus to policyholders increased to $1,824,15[illegible]. Investment in government bonds for the year increased $2,000,000 to $4,685,000. Interest earned on investments was 3.43%.

Dividends to policyholders in 1944 totaled $521,404 and $555,000 was set aside for payment of dividends in 1945. Other payments to beneficiaries and policyholders amounted to $605,821, including $431,725 death claims, of which $118,55[illegible] were claims on war casualties. Mortality experience was 34.05% and the average for the last five years was 26.96%.

MONARCH LIFE

Monarch Life in its new statement shows assets $12,271,984, increase $1,901,102 or 18.3%. Capital is $1 million as compared with $445,600 the previous year. Net surplus is $1,852,576, the increase in surplus to policyholders being $800,384 or 39%.

The only real estate owned is the home office building which is entered at $303,592. Government bonds total $4,679,777 or 38% of assets, increase for the year being $1,931,075.

Actual market value of bonds exceeds asset value by $223,528.

Life insurance in force totaled $45,050,486, an increase 24.1%. Accident and health premiums were $4,508,889 compared with $4,139,832. New paid for life insurance amounted to $11,337,01[illegible] an increase of 44.4%.

The accident and health loss ratio on an earned premium basis was 44.33.

Policy loan repayments during 1944 exceeded new policy loans and the policy loan account amounted to only 3.12% of assets.

NORTH AMERICAN, CHICAGO

Assets of North American Life of Chicago now total $17,251,000, the increase of $1,328,000 being the largest gain from operations in history.

Increase in government bonds amounts to $1,100,000, making the total $5,132,000 or 30% of assets.

No bonds are in default and no bond

is of an unrated issue, or is classified in any of the five lower rated groups.

Unsold real estate amounts to only $1,231,000, or about 7% of assets. The sales completed during 1944 totalled $543,000, with current and deferred profits of almost $50,000.

New paid-for business was $10,148,000, increase 14% over 1943.

Insurance in force stands at $84,590,000, increase $5,600,000, or more than 7%.

Surplus exceeds $900,000. It has increased more than 300% during the past six years, in addition to divided payments to stockholders of $120,000 since resuming dividends in 1941.

Net earnings per share amounted to 90 cents before payment of dividends to stockholders, as compared with 73 cents for the preceding year.

The mortality ratio was 42.8, as compared with 39.5 in 1943.

During 1944 North American established an accident and health department, and the first policies were issued Dec. 1.

The company changed to the 3% reserve standard last year.

OHIO STATE LIFE

Ohio State Life insurance in force at the close of 1944 amounted to $134,969,722, a gain for the year of $9,685,650 and of 34.4%. Assets advanced to $32,061,197, from $28,941,391.

Capital, surplus, and voluntary contingency funds total $3,122,017.

New production of insurance in 1944 set a record.

Of all death claims reported 73 representing an insurance total of $110,153 arose upon men in the armed services. Deaths in action resulted in claims of $78,877. Accidental deaths, mostly resulting from airplane accidents totaled $27,138. Natural deaths accounted for $4,137. Aggregate claims upon men in the armed service amounted to one-sixth of all death losses.

There was an increase in the past year of 79% in the volume of combination life-accident policies.

PILOT LIFE

Pilot Life assets increased $3,906,403 to $35,406,742 in 1944. Insurance in force increased by $9,594,574 to a new high of $187,127,388. Surplus accounts gained $730,000, $230,000 being credited to contingency reserve and $500,000 to capital surplus. Mortality was again very low, 50%, while net interest earned on mean invested assets was 3.8%. Increase in income over 1943 was $461,803. Policy reserves were increased $2,951,891. The company increased its government bond holdings by more than $6 million.

Heart disease accounted for 49.1% of death claims, while 15.2% of the total claims were paid on members of the armed forces. Of these, five-sixths were the result of enemy action. A special mortality fluctuation reserve of more than $1 million has been built up to meet a possible postwar epidemic similar to the influenza epidemic of 1918.

There were no foreclosures of real estate mortgages last year and the company's holdings of foreclosed real estate were reduced approximately 50% to $67,000.

The Pilot during 1944 continued payment of 5% interest on dividend accumulations and on policy proceeds payable in instalments where such proceeds are not subject to optional withdrawal.

TRAVELERS

The combined assets of the four Travelers companies, minus all duplications, stand at $1,478,059,593 at the end of 1944, a growth for the year of $101,090,254.

The increase in holdings of government bonds amounted to $123,056,858, and comprise 57.7% of total assets as compared to 52.8% a year ago. Total holdings are $853,569,801.

The total income of the four companies amounted to $320,285,921 or $32,564,033 more than 1943. The premiums were $265,989,936, an increase of $29,463,697. Interest, dividends and other income totaled $54,295,984, increase $3,100,336.

Assets of Travelers, the parent organization, were $1,412,982,759, increase $97,167,086; surplus $76,352,870, increase $9,035,413; special reserve $45,102,092, increase $9,911,228.

There was unusual growth in group life, accident and health insurance and the future of some of this growth is dependent, of course, on the extent of employment in future years, President Zacher remarks.

The major problem in the life department is finding sound investments with a high enough yield to raise the average brought down by heavy holdings of government securities. This will continue to be a problem for some time.

"It is possible to expect either a period of unusual prosperity or a period of depression after the war, depending on which set of circumstances is considered. The possibilities of both conditions existing within the decade following the cessation of hostilities are very real and we have considered it necessary to be prepared for whatever may come by still further increasing both in total size and in proportionate size our special reserves and surpluses," the president declared.

Loans to policyholders aggregated $74,021,775, a reduction of $8,559,630. This is the lowest total since 1929. The largest total was at the end of 1933 and stood at $123,933,754.

Life insurance in force amounted to $6,739,167,237, increase $452,017,728.

During the year 1,864,101 checks and drafts were issued for the payment of benefits under the various lines of insurance, an average of 6,213 each business day. In dollars the payments to policyholders amounted to $145,393,387.

UNION CENTRAL LIFE

Assets of Union Central Life increased last year by $25,563,072 and now amount to $503,384,733. Surplus and special reserves increased by $2,952,562. The special reserves embraced: $2½ million for possible depreciation in real estate; $2 million for fluctuation in other investments and $1 million for possible increase in war mortality.

Total business in force, including annuities, is $1,382,490,150. The gain in life insurance in force was $26,606,136. New business on life plans amounted to $70,842,870, an increase of 15%.

Death losses on men in the armed forces since Pearl Harbor have amounted to less than 5% of total death claims during the period. The current rate of war deaths is considerably less than 10% of the death claims on civilians. War death losses have been absorbed along with regular death claims without drawing upon the special war mortality reserve.

Real estate owned exclusive of home office buildings was reduced to $26,070,593 or 5.2% of assets. Cash rent received on real estate owned was 7.5% of the mean book value.

No bond is in default and the excess of market value over book value of bonds was $6,907,420. Profit from bond sales in 1944 was $1,661,569.

VOLUNTEER STATE LIFE

Volunteer State Life produced a total of $11,955,956 of new paid-for business in 1944, a gain of 13%. Life insurance in force reached $113,670,600. During 1944 assets increased $2,052,838 to $32,424,375.94.

The total of government bonds owned is $5,824,477.

Investment in government bonds and FHA loans is in excess of $15 million and represents 47.05% of assets.

Terminations of life insurance in force were the smallest in history. The average size policy increased from $2,319 to $2,345.

Payments due to death claims, matured endowments and surrenders totaled $1,948,861.

WESTERN & SOUTHERN LIFE

Western & Southern Life in its new statement reports assets $270,028,017, increase $26,279,000. Surplus to policyholders is $35,187,649. Insurance in force is $1,402,072,494 or an increase for the fourth consecutive year of better than $125 million. The ordinary increase was $60,346,924 and the weekly premium increase was $64,859,922 despite the fact that total weekly premium production was the lowest in 20 years. The earnings of agents increased 14% over 1943. The objective for this year is to cause every agent to earn more than $100 per week.

Net Cost of Ordinary Life

(CONTINUED FROM PAGE 2)

is now being put under income payment plans, involving a lifetime of service to policyholders and their beneficiaries, while in 1920 not more than $25,000,000 went under such plans. This has become one of the important agency and home office services.

The decreased earnings from invested policy reserves have been an important factor in life insurance costs, measured in some degree by the fact that these earnings would have been at least $500,000,000 greater for the business as a whole in 1944, if the earning rate just prior to 1929 had still prevailed. In spite of this loss and the greater services rendered, average costs to policyholders have been held very close to the 1920 level.

National A. & H. Association Parley

(CONTINUED FROM PAGE 3)

At a meeting of the executive board three new special committees were named. One is a working coordinating committee to work with similar committees of the Health & Accident Underwriters Conference and Bureau of Personal Accident & Health Underwriters, to bring out the views of the three organizations with the idea of developing a real united front on problems that pertain to the accident and health business in general. The committee is composed of Gilbert H. Knight, Federal Life & Casualty, Cleveland, chairman; E. F. Gregory, Business Men's Assurance, Denver; John E. Miller, Columbian National Life, Kansas City; Martin L. Seltzer, General Accident, Des Moines, and R. B. Smith, Great Northern Life, Oklahoma City. It expects to hold two or three conferences a year with the committees representing the company organizations.

The second is an educational fact-finding committee to inquire into the cost of companies' educational courses, with the idea of finding out whether it will be possible to develop regional schools on an institutional basis, financed by the entire accident and health industry. The third is a social security committee. President Sholl is to name a chairman after conference with E. H. O'Connor of the Insurance Economics Society and he will name two members of the committee from each local association.

Women's Division Organizes

The women's division was established for the first time this year with Margaret E. Olson, North American Life & Casualty, Minneapolis, as chairman. At its meeting it selected Lorraine Blair of Chicago as vice-chairman; Gladys Atherton, Minneapolis, secretary, and Marie Bergren, Butte, Mont., treasurer.

In discussing the problems involved in recruiting women agents, Mrs. Ethel Smith, Great Northern Life, Cleveland, suggested that possibly too much stress has been placed on the difference in hiring, acquiring or recruiting women agents as compared to men. She declared that there is no basic difference there, but considers that women are unquestionably the best source of essential new blood today. She said that there is some prejudice against women in business and that they must overcome it by showing that they want to and mean to play fair. She listed some of the feminine types that decidedly are not wanted in the accident and health business and gave some of the qualifications that are essential if a woman is to make a success in that field.

The agency management session also was the first one held at a National association meeting, under the direction of Robert J. Barrett, Occidental Life, Kansas City, chairman. Mr. Barrett said the purpose of the new division is to promote new agency building and sales ideas.

"We know that, more than ever, men buy ideas—not just accident and health insurance," he said. "The accident and health insurance is thrown in with the purchase of the idea. Ideas are the agent's merchandise—his stock in trade."

E. F. Gregory, Business Men's Assurance, Denver, who took up "Recruiting," still believes it is a good word, in spite

of attacks on it on the ground that "it sounded as though there were a bunch of tough top-kicks recruiting rookies for the army." He said recruiting for the army means more than the simple act of induction. "When Uncle Sam hires a man, that is just the beginning. He gives him intensive training for at least a year." He said that should be the case in accident and health insurance.

He offered a number of "don'ts" on recruiting and also took up the various sources for getting new men, giving the preference to contacts, such as the present agency force, policyholders, friends and acquaintances. He said attention might well be given at this time to recruiting women and took up at some length the induction or reinduction of returning service men.

Keeping and Developing Men

One of the mistakes in the accident and health business is the greater emphasis placed in the recruiting of agents in comparison to the effort made in the keeping and development of men so recruited, Gilbert H. Knight, Federal Life & Casualty, Cleveland, said.

"Like business on the books, 'the agent that stays is the agent that pays'," Mr. Knight said. "To my mind, conservation of the men already employed in our business, plus complete development of their agency possibilities, will pay much higher dividends than the same amount of effort devoted to attracting new material. It will at least curtail one of the evils of our business—rapid employment turnover."

Mr. Knight reviewed some of the methods he has employed in his agency, which have resulted in an extremely low turnover and high average earnings per man.

August Kern, Jr., of St. Louis, gave a very frank and illuminating presentation of the problems that confront the personal producer who may think that he wants to become a general agent. In most cases he doesn't realize what it's going to cost, Mr. Kern said. Stating that a general agency can not hope to operate at a profit unless it has a premium volume of $100,000 or more, he gave an itemized list of the expenses which would be essential in such an agency and the percentage of the premium which they would eat up. He advised the agent who has ambitions along that line to consider carefully whether he isn't better off where he is. He must also consider whether he has the capability to build and supervise men.

Mr. Kern described in some detail the setup of his own agency, its method of operation and the percentage of premiums required for expenses over the past four years.

How to Enjoy Work

At the session conducted by the Leading Producers Round Table the theme was: "Are you enjoying a profession or laboring at a job?" R. B. Smith, Great Northern Life, Oklahoma City, Round Table chairman, in introducing it told of the railroad conductor who was nearing the retirement age, which was the subject of considerable comment by his associates. He declared that his job got easier as it went along and that he'd had a lot of fun out of it.

Claude V. Cochran, General American Life, Kansas City, said "enjoying a profession" is a bit too dignified for him, "but I am having a heck of a lot of fun selling accident and health insurance." He devoted his talk primarily to prospecting both "inside" and "outside." He said a man can get more good prospects sitting at his desk than anywhere else in the world, if they are properly sifted. He urged reviewing changes in life situations, studying the markets for various classes of coverage, the possibilities among old policyholders for higher limits or additional coverages as a result of changes in their situations (also their friends and associates) and the possibility that they may become valuable centers of influence by reason of these changes.

Must See the People

Charles S. Cameron, United Benefit Life, Tehamah, Neb., substituting for Walter J. Sullivan, Monarch Life, Cleveland, who was unable to be present, said that he never solicits business, but still is able to write 400 applications a year. To make sales, he said, an agent must see the people.

Malcolm White, general agent of Pacific Mutual Life in Oklahoma City and formerly in its field training department, showed the difference between the right and wrong kind of presentation by comparing them with the work of a skilled woodchopper and a dub in that field. The former with his long, accurate, deft strokes cut right through the prospect's alibis, while the other, putting too little steam behind his blows and seldom hitting twice in the same place, merely hacks a few grudging chips out of the sales resistance that confronts him.

Mr. White considers that the intelligence of the procedure counts for much. There are certain steps that must be taken in a certain sequence. He is a strong believer in visual sales aids. The men in his agency rarely make calls except by appointment.

A. & H. Leader Tells Methods

James O'Neil, Mutual Benefit Health & Accident, Omaha, was introduced as the leading accident and health salesman in that city. He has been in the business only four years and before that was a farmer. In both 1943 and 1944 he produced more than $25,000 of business, with around 500 applications and an average premium of about $60. He said that he thoroughly enjoys selling. Meeting people, being of service to them, replacing income and making friends doesn't seem like work.

Steps looking toward a material increase in the minimum requirement for qualification in the Round Table were taken at its meeting. Instructions were given to a committee to be appointed by Chairman Smith, to prepare a proposal along that line for submission at the annual meeting. Sentiment also favored making the calendar year the qualification period, rather than the association fiscal year.

Sales Congress Features

Newell C. Day, Equitable Life of Iowa, Davenport, made the big hit of the sales congress with his talk on "Color in Selling," which has been presented so successfully before many life organizations. J. W. Martin, Loyal Protective Life, Portland, Ore., spoke on "Lighting the Candles," repeating in part the talk he gave at the Los Angeles convention in 1941.

Floyd Holdren, Mutual Benefit Health & Accident, Cleveland, told of things the accident and health man should not do, based on his own experience with ideas that had proved unsuccessful.

Travis T. Wallace, president of Great American Reserve, Dallas, described the methods used in his organization which enabled his men to average $7,902 in commissions last year, with an average of 446 accident and health applications and $236,000 in life insurance. J. D. Westra, Madison, Wis., educational director of the North American Life & Casualty, outlined some general principles of living, working and selling that are applicable to accident and health insurance.

FRATERNALS

Modern Woodmen Increases Adult, Juvenile Business

Modern Woodmen made a net gain of 2,669 in membership and a 33% increase in new business written in 1944, the best production year since 1939. Insurance placed totaled $25,844,524.

It also was the best year in juvenile insurance written since children under 16 years were admitted to membership in 1929. Total junior membership Dec. 31 was 50,153. New adult business increased 11% over 1943 and new junior business 56%.

Iowa, under Manager Lyle Brown, Des Moines, led with $2,275,926 new written business.

Others were: Northern Illinois, C. A. Ortman, Kankakee, $2,245,533; Tennessee, R. L. Estes, Nashville, $2,217,300; southern Illinois, Tom Haege, Peoria, $1,866,750; Virginia, Charles Bain, Roanoke, $1,748,000.

Individual leaders were H. H. Hoffman, Rock Island, Ill.; C. H. Martin, Princeton, Ill.; Ben Newman, Jacksonville, Fla.; J. A. Cobb, Chattanooga, and J. H. Ryan, Providence, R. I.

Fraternal Bill in N. H.

A bill that is practically identical with the proposed uniform fraternal code as prepared by the law committee of the National Fraternal Congress and the fraternal committee of the National Association of Insurance Commissioners, has been introduced in the New Hampshire senate and referred to the insurance committee.

The only state in which the proposed code has been enacted is Georgia. That was done last year.

Woodmen Circle Has Fine Growth in Last Year

Woodmen Circle of Omaha had substantial growth in 1944, ledger assets Dec. 31 being $39,885,360, increase $1,100,000, Mrs. Dora Alexander Talley, president, reported. There was a net gain in adult membership of 2,555 and in junior membership of 725. Total membership has reached 136,500. Three-quarters of all new junior business now is written on permanent forms.

Adult insurance in force Dec. 31 was $97,993,294 and junior $8,611,691, total in force being $106,604,985. Net gain in production in 1944 was 26% over 1943.

Book value of bond holdings Dec. 31 was $37,175,042; U. S. and war bonds bought in 1944 totaled $3,700,000, bringing the total to $7,627,300, or about 22% of bond holdings. More than $16,000,000 is invested in other state, county, municipal and school bonds, or 46% of bonds. The balance of bond holdings consist of high grade railroad, public utilities, industrial and Canadian bonds.

Much progress was made in perfecting ritualistic work. Many awards were presented to members for proficiency in this work. The membership has shown an increased interest in meetings.

Considerable progress also is being made in the accident and health department.

Aid Association 1944 Totals Announced by Benz

Assets of Aid Association for Lutherans Dec. 31 were $62,812,165, increase $8,538,594. Life insurance in force was $292,475,748, increase $26,894,052, and new business increased about 24%, totaling $31,604,209, of which $21,205,17? was adult and the remainder juvenile insurance. The new business for the year was the greatest in any year since the society was organized in 1902. The increase in force represented 95.32% of the new business total.

Lapse rates on both first year and business already in force was the lowest in history. Gross rate of interest earned on invested benefit funds was 4.55% compared to 4.57% in 1943, and net was 4.32%, the same as in 1943.

Mortality was 34.9% of expected, an increase of 3.71 points. Death claims totaled $1,073,726, of which $224,702 was on members in armed services.

Surplus increased $306,598 and voluntary and special reserves increased $574,269, both totals aggregating $7,256,904. Reserve for strengthening the 4% certificate reserves was increased by $500,000 and $1,495,000 was set aside for surplus distribution this year.

President Alex O. Benz and all other officers were reelected at the annual meeting.

Maccabees and Producers Have a Big Year

Maccabees' new business volume last year was $42,426,435, made up of $23,051,822 adult, $10,671,778 junior, $8,702,835 sickness and accident business. There was a gain of $3,251,078, and in the life department alone a gain of $3,061,04?. J. E. Little, actuary and field director, reported 24 states and provinces wrote more business last year than in 1943, New York leading under Manager Willard M. Kent with $5,034,693 production, Michigan second and Quebec third.

T. Mahoney of Kentucky was leading individual producer for the year with $2,136,000 of business. In December he produced $169,500. His nearest competitor was M. Reicher of New York City with $695,986. G. Shelley of New York was leading district manager with a total of $4,580,124. W. H. Williams of Alabama led in sickness and accident production with $285,992 and W. Nichol of Oklahoma in junior sales with $386,000.

Maryland-D. of C. Congress Meets in Baltimore Feb. 15-16

A field managers section will be held for the first time in the annual meeting of the Fraternal Congess of Maryland & District of Columbia which is to be held at Baltimore Feb. 15-16. All sessions will be in the Lord Baltimore hotel.

John M. Weber, president, will preside. This will be the first general meeting at which a field managers section will be held, although the latter group has met several times in the last year. John O. Hayes, Maccabees, will be in charge of that section.

The program and banquet arrangements are in charge of Mrs. E. Olive Eckert, assisted by Mrs. Margaret Wilbourn. A number of prominent speakers have been secured and there is a full agenda of business.

Seeks to Equalize Entry Fee

The California insurance department is sponsoring a bill in the legislature which would equalize the entry fees of fraternals to the same level as the fees now charged other types of companies.

Peninsular Capital $500,000

Capital of Peninsular Life of Jacksonville, Fla., has been increased from $125,000 to $500,000. At one time the capital was $250,000 but it was cut in 1931 to $125,000.

NEWS ABOUT LIFE POLICIES

London Life, Can., Makes Various Policy Changes

London Life has added many policies to the nonparticipating department and extended the ages written on some of the policies previously written. At the same time, this company reduced premiums on those policies, namely, modified life, modified endowment age 85, term and family income benefit.

The endowment at 85 policy is now written on the continuous premium and limited pay from 10 to 30 years, as well as the modified plan. Five and 10 year term may be written ages 15 to 29, inclusive, in addition to ages 30 to 60; 15 year term continues to be written ages 15 through 44 and 20 year, ages 15 through 39. A pension plan providing insurance to maturity and a life income commencing at age 55, 60 or 65 now is available.

Income Disability on Life Plans

The income disability benefit providing $10 monthly income now may be added to insurance written on male lives for life plans as well as endowments and penson plans, maturing at or before age 65. The illustrative premium rates are:

Age	Wh. Life	End. 85	P. U. 65	Pen. 65 Male	Pen. 60 Female	10 Year Term
10	$ 9.03	$10.10	$10.51	$16.98	$23.89	....
15	10.31	11.39	11.98	19.73	28.17	$ 6.76
20	11.79	12.90	13.75	23.15	33.61	6.85
25	13.65	14.78	16.01	27.57	40.84	6.96
26	14.08	15.22	16.55	28.62	42.57	7.03
27	14.53	15.67	17.13	29.73	44.42	7.10
28	15.00	16.16	17.74	30.91	46.40	7.20
29	15.51	16.67	18.38	32.16	48.51	7.31
30	16.04	17.21	19.07	33.49	50.79	7.46
31	16.59	17.77	19.81	34.92	53.23	7.64
32	17.18	18.38	20.59	36.44	55.86	7.83
33	17.80	19.01	21.43	38.06	58.68	8.05
34	18.45	19.67	22.32	39.79	61.75	8.29
35	19.13	20.37	23.27	41.66	65.09	8.55
36	19.85	21.10	24.30	43.65	68.59	8.84
37	20.61	21.88	25.39	45.81	72.43	9.15
38	21.41	22.69	26.56	48.12	76.64	9.49
39	22.25	23.55	27.83	50.63	81.27	9.85
40	23.13	24.45	29.18	53.33	86.39	10.25
41	24.07	25.41	30.66	56.19	91.96	10.70
42	25.05	26.42	32.25	59.31	98.19	11.19
43	26.09	27.49	33.99	62.72	105.20	11.73
44	27.19	28.62	35.88	66.49	113.12	12.34
45	28.36	29.82	37.96	70.65	122.13	13.03
46	29.60	31.10	40.41	75.18	132.49	13.80
47	30.91	32.45	43.10	80.24	144.49	14.68
48	32.32	33.90	46.08	85.94	158.56	15.65
49	33.80	35.44	49.39	92.36	175.21	16.76
50	35.39	37.08	53.12	99.66	195.29	18.01
55	45.00	47.10	81.73	158.66	....	26.66
60	58.26	....	....	....	....	40.81
65	76.66	....	....	....	....	....

Colonial Life Adds 20-Year Term Rider to Forms

Colonial Life of New Jersey has added a 20 year term rider to be issued in connection with regular ordinary policies. This supplementary contract is nonconvertible and has no nonforfeiture values. The regular nonforfeiture benefits and provisions of the permanent insurance to which it will be attached are unaffected by this rider. The premium rates are:

Age	Pre.	Age	Pre.	Age	Pre.	Age	Pre.
20..	$5.46	26..	$6.15	31..	$7.34	36..	$ 9.56
21..	5.55	27..	6.33	32..	7.68	37..	10.17
22..	5.64	28..	6.53	33..	8.08	38..	10.84
23..	5.75	29..	6.76	34..	8.52	39..	11.59
24..	5.87	30..	7.03	35..	9.01	40..	12.40
25..	6.00						

Great Southern Introduces Two New Forms

Great Southern Life this week introduced a new participating triple protection policy and also a new family income rider. Triple protection is issued on a unit basis consisting of $1,000 ordinary life and $2,000 term, the minimum contract being two units or $6,000 of insurance.

The premium cost is comparatively low for the first two years and for the third policy year and thereafter it is increased. It is stated the increase is more than offset by the second year and subsequent dividends. At the end of 20 years, insured will have two options, either to continue the policy as participating ordinary life for $1,000 per unit at a reduced premium rate, or to continue it as a participating limited payment life for $1,000 per unit at the same premium rate. The limited payment life policy will be paid up in full, exclusive of dividends, at the end of the period stated. The first option, to continue on an ordinary life basis at reduced premium rates, is an automatic one.

Taken at age 25 the premium per unit for each of the first two years is $28.91 and for the third to 20th year, inclusive, $34.25, a difference of $5,34, which is offset by the $5.50 second year dividend. Average annual payment over 20 years if dividends are deducted is $27.64. Age 35 at issue, premium first two years $39.75, third to 20th year, inclusive, $44.12, second year dividend $4.60, an average annual premium with deduction of dividends $37.60; age 45 at issue, premium first two years $67.68, third to 20th year, inclusive, $72.71, second year dividend $5.90, average premium with deduction of dividends $64.89.

The family income rider is issued in 10, 15 or 20 year periods attached to permanent contracts, but not term or par triple protection. Minimum considered is $20 monthly income on 10 year form, $15 monthly income on 15 year and $10 on 20 year.

Manhattan Mutual Goes on 3% Reserve Basis

Manhattan Mutual of Kansas now is on American men 3% modified preliminary term Illinois standard reserve basis and has completely revised premium rates and nonforfeiture values. Several policy forms were dropped out of the new rate book, including special life income with coupons, life expectancy, family income riders and preferred risk whole life. Endowment age 85 is replaced by regular ordinary life and 20 payment life. The income policy now is an endowment annuity at age 65. The 20 year endowment is the shortest term endowment on which ratesa re quoted. Short term single premium endowments also were dropped; this type of writing is confined to endowments at 55 or 65.

New policies introduced are the double protection to 65 and 20 year cash refund endowment, the latter providing insurance during a 20 year period with premiums refunded at end of period as a cash surrender value.

Dividends for 1945 were increased about 10%. Rates on popular policies are:

Age	Ord. Life	P. U. 65	20 Pay. Life	End. Age 65	End. Ann. Age 65	5 Year Term
0	....	....	$22.78	....	....	....
5	....	$14.81	24.26	$15.64	$18.78	....
10	....	16.27	26.14	17.31	21.06	....
15	$17.31	18.19	28.49	19.48	24.06	....
20	19.20	20.42	30.88	22.04	27.68	$ 9.99
25	21.41	23.14	33.40	25.23	32.69	10.30
30	24.22	26.77	36.33	29.46	38.66	10.48
31	24.88	27.64	36.99	30.48	40.09	10.54
32	25.57	28.58	37.68	31.57	41.63	10.64
33	26.30	29.58	38.40	32.74	43.28	10.78
34	27.08	30.66	39.14	33.99	45.04	10.93
35	27.89	31.80	39.92	35.34	46.93	11.12
36	28.76	33.03	40.73	36.78	48.95	11.34
37	29.67	34.36	41.58	38.34	51.13	11.61
38	30.62	35.79	42.46	40.02	53.49	12.27
39	31.64	37.33	43.38	41.84	56.02	12.67
40	32.71	39.00	44.33	44.04	58.78	13.11
41	33.84	40.80	45.33	46.06	61.76	13.62
42	35.04	42.77	46.39	48.27	64.99	14.19
43	36.30	44.91	47.48	50.66	68.54	14.82
44	37.64	47.26	48.62	53.26	72.42	15.53
45	39.04	49.83	49.83	....	....	16.31
46	40.54	52.56	51.09	....	....	17.18
47	42.12	55.56	52.42	....	....	18.13
48	43.79	58.89	53.82	....	....	19.17
49	45.56	62.60	55.29	....	....	20.33
50	47.42	66.77	56.84	....	....	27.97
55	58.54	....	66.11	....	....	....
60	73.47	....	78.81	....	....	....

Cont. Amer. Scale 18% Higher

Continental American Life because of ample contingency reserves and greatly increased surplus has been able to increase policy dividends generally about 18% for 1945, despite effects of war. Not all dividends have been increased, however. Because of the lower rate of in-

terest earnings, dividends have been reduced on policies where large cash values have been accumulated and where interest is the most important element in policy earnings.

Increases Nonmedical Limits

The non-medical limit on males has been increased from $3,000 to $5,000 by Columbian Mutual Life and on females to $2,500.

Has Juvenile Ordinary Life

An ordinary life has been added to the juvenile policies available in Midwest Life of Lincoln, Neb. Minimum policy is $1,000. Waiver of premium at death or disability of payor may be added at an extra premium, ranging from $1.04 to $3.78, depending on age of child and applicant. Premiums without the payor benefit are: Under six months, $11.88; age 1, $11.86; 2, $11.78; 3, $11.70; 4, $11.60; 5, $11.54; 6, $11.70; 7, $11.92; 8, $12.20; 9, $12.46; 10, $12.76; 11, $13.06; 12, $13.36; 13, $13.68.

Union Mutual Life Enters Non-Can A. & H. Field

(CONTINUED FROM PAGE 1)

elimination period is 30 days, $61.50 if it is 60 days, and $57.50 if it is 90 days. The premium range is from $52.60 at age 21 to $123.40 at age 50 for the 30 day elimination period, with substantial reductions at all ages for the longer elimination periods. The rate is the same for A1, A2 and A3 applicants.

For the hospital or nurse rider the additional annual premium is $8 for $4 a day; $10 for $5 a day; and $12 for $6 a day. The surgical rider is $4 a year.

For total disability the monthly indemnity is payable up to 100 months for any one claim. House confinement is not required. Partial disability pays one-half monthly indemnity for any one claim and to be compensable must follow a period for which the insured is entitled to total disability indemnity.

Male Risks 18-55

The "Yankee" is sold to male risks ages 18-55 inclusive in classes A1 to A5 inclusive. The rate is the same for all ages from 18 to 39 inclusive, being as follows, respectively, for classes A1 through A5: $4.60, $5.10, $5.70, $6.80, $8.50. These rates range upward at ages above 39 so that at 55 the corresponding rates are: $9.50, $10, $10.60, $11.70, and $13.40. Hospital and nurse rider and surgical rider are the same as for the "Independence." Additional annual premium for each $1,000 of accidental death benefit for the five classes is: $1.80, $1.80, $2.80, $3.80 and $4.80 and does not vary with age.

Premiums may be paid semiannually or quarterly at the same proportionate cost.

The hospital or nurse optional additional feature of the "Independence" pays the full daily amount from the first day up to 90 days inclusive for any one sickness or accident. The surgical rider pays for the amount actually expended up to the limits named in the schedule of operations.

Among the special features of the "Independence" are: It is non-cancellable and guaranteed renewable to age 60; premiums are waived after 90 days of total disability and during continuation of total disability all premiums which become due are waived; it is incontestable when in force for two years as to representations in the application; benefits are payable for disability sustained while riding as a fare-paying passenger in an airplane; there is a 31 day grace period on all premiums after the first; change in occupation does not reduce benefits. The policy excludes disabilities resulting from self-inflicted injuries, suicide attempts, war, injury or sickness outside United States or Canada, and aviation except as a fare-paying passenger.

The "Yankee" sickness and accident policy pays a monthly indemnity up to 12 months for any one claim resulting from sickness. House confinement is not required. For total disability resulting from accidents the monthly indemnity is payable up to 24 months, while for partial disability one-half the monthly indemnity up to six months is payable. Partial disability may precede or follow total disability. Up to one-fourth of the monthly indemnity for treatment of non-disabling injuries is payable to defray doctors' bills. The optional hospital or nurse and surgical riders have the same provisions as in the "Independence." In addition the coverage for accident benefits can be increased up to 60 months for total disability.

Renewable to Age 65

Special features are that the policy is non-cancellable and guaranteed renewable to age 65; the monthly indemnity is increased 10% for annual premiums and 5% for semi-annual premiums; while air travel, grace and non-pro-rating features are the same as for the "Independence" policy. Hernia, ptomaine or bacterial infection (except pyogenic infection through accidental wounds) are covered as sickness. Cancer, tuberculosis, and insanity are not covered during the first policy year and only one-fifth of the accidental death indemnity is payable for death resulting from asphyxiation or self-poisoning. The policy does not cover disability resulting from self-inflicted injuries, suicide, war, venereal disease, sickness outside United States or Canada or aviation except as a fare-paying passenger.

The accident portion of the "Yankee" policy may be had in the "Yankee Accident" policy at a lower premium. The rate is the same for all ages 18 to 55 inclusive and for ages 56-59 inclusive the rate is one-third higher.

At ages 18-55 the annual premium for each $10 of monthly accident indemnity ranges from $1.30 on class A-1 to $4.50 on class A-5 where there is no elimination. The policy may be had with eliminations of 3, 7, 14, and 30 days at reduced premiums. The rate at ages 18-55 for the 30 day elimination period is 89 cents for class A-1 and ranges up to $3.14 for class A-5. The accidental death indemnity premium is the same as in the "Yankee" accident and sickness policy at ages 18-55 and is one-third higher at ages 56-59. Extension of accident benefits up to 60 months by rider, for each $10 of monthly accident indemnity, ages 18-59 is 60 cents for class A-1, 18 cents for class A-2 and 20 cents for class A-3. It is not available to classes A-4 and A-5.

New Social Security Book

Gerhard Hirschfeld, director of Research Council for Economic Security, in his new book "Social Security—Past, Present, Future," has assembled a mass of analytic information concerning economic and financial aspects of social security, much of which is made available in popular form for the first time.

It discusses various portions of present and proposed programs, such as old age and survivors' insurance, unemployment compensation, and health, disability and hospitalization features.

The book is being jointly distributed by the publishers, the American Taxpayers Association, Washington, D. C., and the Insurance Economics Society of America, 176 West Adams street, Chicago. Price is $1 per copy.

Course at Butler University

Beginning Feb. 5, a course in life insurance will be offered by the college of business administration of Butler University, Indianapolis. The lectures and discussions will cover fundamentals of life insurance, the operations of companies, policy forms, rate structures, the uses of life insurance and the fitting of life insurance to the needs of policyholders. This course can be used in preparation for the C. L. U. examination, Part 1. Frank A. Miller, manager of American National, will be the instructor.

Metropolitan Changes at Montgomery, Chattanooga

G. W. Johnson, formerly manager at Chattanooga, has been appointed manager at Montgomery, Ala., by Metropolitan Life and is succeeded at Chattanooga by H. E. Barden, formerly manager at Holston, Tenn.

Mr. Johnson started as an agent at Chattanooga in 1912, becoming manager at Jackson, Tenn. After 12 years as agent and assistant manager he was transferred to Chattanooga. Mr. Barden started at Birmingham as an agent in 1928, was appointed an assistant manager in 1930, agency sales instructor for the southern territory in 1935, agency sales supervisor for the same territory the following year, and manager at Holston in 1943.

Kelly Joins Northwestern Mutual

I. Austin Kelly, III, a large personal producer and formerly a New York general agent for Fidelity Mutual, has joined the A. J. Johannsen agency of Northwestern Mutual there. He is a life and qualifying member of the Million Dollar Round Table and specializes in estate analysis and pension trusts, to which he will now devote his full time. Mr. Kelly graduated from Massachusetts Institute of Technology and did graduate work at Harvard and Oxford Universities.

Plan C.L.U. Refresher Course

A 14-week refresher course in C.L.U. work will be started early in February under auspices of the Chicago C.L.U. chapter, with classes in the fifth floor class room of Equitable Society in Chicago. In the past the refresher and cram courses for many years have been conducted under auspices of the downtown campus or business school of Northwestern University. This year Prof. Howard Berolzheimer of Northwestern will conduct the courses. Robert F. Markley, Equitable Society, and Sol Sackheim, Great-West Life, are co-chairman of the chapter's educational committee which is sponsoring the courses.

The first course will be on section D, money and banking, etc., and will start Monday, Feb. 5, continuing for 14 weeks, and held from 5:15 to 7:15 p.m. in the Equitable building. The second course on section A, life insurance, will be held in the same place and hour starting Feb. 8, for 14 weeks. At the conclusion of these courses there will be a two-week cram course, probably to be held May 21-June 1 on sections A, C, and D of the C.L.U. examinations which will start the week after the cram course concludes.

Tuition fee for the refresher course is $15. Additional details on the cram course and the fee will be announced later, Harry R. Schultz, C.L.U. chapter president, stated in making the announcement of the course at the luncheon meeting of the Chicago Association of Life Underwriters last week.

Name Franklin Life Leader

H. B. Parker, Louisiana, is president of Franklin Life's $500,000-$1,000,000 Club; V. D. Wright of Texas is vice-president; and Paul B. Sass, St. Louis, secretary. Herman Watson, Alabama, is president of the $400,000 Club; M. D. Dugger, Jr., Texas, vice-president; and Mrs. Rose Emmett, Alabama, secretary. Emmette E. Biscamp, Texas, is president of the $300,000 Club; G. C. Rockwood, Illinois, vice-president; and Bess Schechter, Denver, secretary. M. E. O'Brien, Michigan, heads the $200,000 Club; G. A. Laidlaw, Louisiana, vice-president; and W. R. Sasse, Texas, secretary. W. A. Peschka, Kansas, is president of the $100,000 Club; John E. Gibbs, Alabama, vice-president; and Virgil B. Ragar, Missouri, secretary.

Lincoln Income Life of Louisville has voted a dividend of 30 cents a share on stock.

Buy More

War Bonds

Vermonters cling, as they have done proudly for 150 years, to the democratic institution of annual town reports and annual town meetings.

The National Life of Vermont takes equal pride, as it has for 95 years, in its thrift-conscious management and in the fullness of its annual report to policyholders of this mutual company.

95th Annual Report of the NATIONAL LIFE

SALES of new life insurance totaled $61,572,948 or 29.2% more than in 1943.

Insurance in force increased $41,536,076 to $683,019,042 on December 31st.

Payments to policyholders and beneficiaries aggregated $22,147,842, including $4,454,106 of dividends and $3,673,806 of policy proceeds previously left with the Company. Since Pearl Harbor, 249 claims from war casualties have totaled $873,374.

The ratio of actual to tabular mortality was 50%.

Assets totaled $290,943,587, showing an increase of $21,994,755 or 8.2% for the year.

The Company earned 3.43% net on its ledger assets in 1944.

Purchases of $11,310,000 of government securities and $32,375,073 of FHA war housing loans aggregated $43,685,073.

Our favorable experience with FHA loans has continued.

Of 31,159 mortgage loans, only 18, involving $67,545 were in foreclosure, including 14 FHA loans totaling $50,216. This statement included no interest on these loans.

For the third successive year, no bond in the statement was past due as to principal or interest.

The Company's bonds had market values of $89,958,510 which was $3,284,731, or 3.79%, in excess of book values.

Our preferred stocks, all cumulative as to dividends, had a market value of $8,420,397, which was $641,581 more than the book value. A market fluctuation reserve equal to this excess has been created. Dividend payments on two issues were in arrears.

No reserves on insurance or annuity contracts on the Company's books are based on an interest assumption higher than 3%.

The reserve liability for insurance contracts was $172,556,006, an increase of $10,022,649 for the year.

Reserves for special benefits supplementing these insurance contracts amounted to $3,740,663.

Total annuity reserves were $55,613,576, or $5,518,747 more than in 1943. The Company in 1944 voluntarily has strengthened these reserves by an additional sum of $500,000.

Continuation in 1945 of the generous dividend scale in effect in 1943 and 1944 previously has been announced. A liability of $4,408,985 for 1945 dividends has been established.

The liability for unreported death claims has been increased $250,000 beyond that of last year, because of uncertainty as to war deaths which may have been unreported.

The surplus was increased $1,034,721.28 to $14,034,192.23, including a $2,000,000 contingency reserve.

A list of the Company's securities is available on request.

ELBERT S. BRIGHAM, *President*

95th ANNUAL STATEMENT OF FINANCIAL CONDITION—December 31, 1944

ASSETS

Cash on Hand and in Banks		$ 1,377,137.61
Bonds:		
U. S. Gov't—Direct or Guaranteed	$ 32,656,433.00	
State and Municipal—U. S.	7,388,852.54	
Public Utility	39,249,215.68	
Dominion, Provincial, Municipal—Canada	2,664,059.86	
Industrial and Miscellaneous	4,715,218.30	86,673,779.38
Preferred Stocks, at market quotations		8,420,397.00
Mortgages, First Liens:		
City, insured by FHA	130,918,614.36	
Other City	27,217,361.53	
Farm	10,307,945.97	168,443,921.86
Real Estate at Cost or Less:		
Under Contract of Sale	1,508,219.83	
Other, including Home Office Properties ($804,501.00)	3,120,863.99	4,629,083.82
Loans on Company's Policies		15,217,957.09
Premiums Receivable		3,639,323.93
Accrued Interest and Rents		2,258,216.22
Other Assets		283,770.66
TOTAL ASSETS		$290,943,587.57

LIABILITIES

Policy Reserves:		
Insurance	$176,296,669.00	
Annuity	55,613,576.00	
Policy Benefits left with Company for future Income Payments	23,374,303.00	$255,284,548.00
Policy Claims:		
In Process of Settlement	1,247,310.95	
Not Reported (estimated)	495,000.00	1,742,310.95
Policyholders' Deposits:		
Dividends Left at Interest	7,309,533.79	
Future Premiums Discounted	5,005,154.30	12,314,688.09
Provision for 1945 Dividends		4,408,984.72
Provision for Taxes:		
1944 Federal Income Taxes	250,000.00	
Other Taxes	585,054.18	835,054.18
Reserve for market fluctuations, Preferred Stocks		641,581.37
Agency and Investment Items in Process		263,547.16
Pension Reserves—Home Office and Agents		988,210.00
Other Liabilities		430,470.87
TOTAL LIABILITIES		276,909,395.34
Surplus (including contingency reserve of $2,000,000.00)		14,034,192.23
TOTAL LIABILITIES AND SURPLUS		$290,943,587.57

Bonds and Stocks are included at amortized or other values as prescribed by the National Association of Insurance Commissioners. Securities carried at $230,154.80 in the above statement are deposited with States as required by law.

NATIONAL LIFE INSURANCE COMPANY HOME OFFICE MONTPELIER **VERMONT**

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